

**INSIDE: The 1985 North American economic outlook**

# Maclean's

APRIL 1, 1985

CANADA'S WEEKLY NEWSMAGAZINE

\$1.50

## The New Islamic Whirlwind

**The Gulf War's  
awesome toll**

**The Shi'ite  
terror in  
Lebanon**

**Iranian leader  
Ayatollah Ruhollah  
Khomeini**





And then there's Smirnoff.



The difference is pure smoothness.

# Maclean's

APRIL 1, 1985 VOL. 80 NO. 12

## COVER

### The New Islamic Whirlwind

The stern vision of Islamic fundamentalism has, until now, failed to spread beyond Iran's borders. But despite last week's tragic slaughter of Iranian troops fighting on behalf of their spiritual leader, the Ayatollah Ruhollah Khomeini, adherents have been cheered by other attempts to spread their faith throughout the Muslim world. —Page 20

COVER PHOTO BY GUY LAWRENCE/GETTY IMAGES



**A new debate on defence**  
Planned as a public relations triumph, last week's summit between Brian Mulroney and Ronald Reagan provided a new debate over U.S. military intentions. —Page 12



**A victory for pornographers**  
In a unanimous decision, the Federal Court of Appeal has struck down an antiquated law and opened the borders to what many fear will be a flood of pornography. —Page 44



**Predicting the future**  
At the Terry's National Economic Conference last week, there was a lot of consultation but little consensus on the economy's (is and outlook. —Page 34

## CONTENTS

Anthology	28
Art	28
The Arts	28
Artisan	46
Books	54
Business/Economy	34
Camp	69
Canada	12
Crime	49
Energy	45
Film	58
Garden	31
Law	44
Newman	42
People	32
Profile	8
World	20



**A night of the stars**  
Even the stars got the jittery as the cream of Canada's film industry gathered for three days of celebration surrounding their annual Gemini Awards ceremony. —Page 32



## Truth on trial

Regarding "The Holocaust Trial" (Cover, March 11) people who fear the results of the Zandei trial are a pitiful lot. They live in denial of our free traditions, no group of the leaders from the Second World War and no faith in our democratic system. In 1964 Wilson wrote "Let [truth] and falsehood grapple. Whoever knew truth put to the worse as a free and open encounter?" Wilson also notes that the wider the falsehood, the paler the truth by contrast. Thus Zandei's exposure of truth and fact in the trial camp served, in open court, to highlight the true horror. Let Zandei, [James Keegstra, [Zandei's lawyer Douglas Christie and the rest show themselves honest with facts. "The truth be in the field," what have we to fear?

—BEECH CARRIL,  
Victoria

Over the years I have enjoyed the balance your editorials and letters to the editor have presented by discussing and defending many different points of view on all issues. However, although I have read much about Ernst Zandei and his questioning of the Holocaust, all of it has been derogatory. I have always believed the Holocaust happened without question, but this unusual one-sidedness in your magazine—and in others—since the verdict has got me wondering. For the sake of democratic fairness we should know Zandei's reasons why he doubts the Holocaust from his "revisionist" perspective. —MARGARET LITTLE,  
Toronto

### SUBSCRIBER'S MOVING NOTICE

Send correspondence to: *Attention: Box 1402*  
Shelton A. Bennett, Ontario M1P 2M8

ATTACH OLD ADDRESS LABEL HERE  
AND MAIL IMMEDIATELY

I enclose address label from my old label and  
enclose old address label from this magazine as well

Name  Age   
New Address   
City   
Prov.      
Postal Code



Zandei: Truth and falsehood grapple

I applaud the efforts of those who believe in the necessity of rooting out and exposing men such as Ernst Zandei who would attempt to rewrite history. Unless we are reminded of the great atrocities committed against the Jews and others by the Nazis, there will always exist the danger of a Holocaust being repeated. Let us not forget that we are responsible in what Hannah Arendt has called the "banality of evil." We must remain ourselves continually of its horrible consequences.

—RAIHA BECHTOLD HANNAH,  
London, Ont.

The "Holocaust Trial" of Ernst Zandei brought on a conflict in my mind. On one side my Jewish heritage hates Zandei as an anti-Semite, distorting the truth of real death and suffering. Yet on the other side I have personal admiration for a man who questions the status quo and fights for free speech. Is Zandei simply being bold and questioning history in the same way historians study the motives of a past leader? I conclude that Zandei is not fighting for free speech to promote the accuracy of history, he is fighting for free speech in order to express his prejudices, exploiting those who have suffered and died. There is nothing better and more exciting than to question the established truth, or fight for the freedom of speech. It leads to education and realization. But when the fighting is misdirected, facts and motives must be put into perspective. It is the responsibility of those who care about human suffering and truth to do so.

—GARY RICH,  
Winnipeg

Letters are edited and may be condensed.  
Writers should supply name, address and telephone number. Mail correspondence in letters to the Editor. *Maclean's* magazine, 400  
Don Avenue, M1P 2Y7, Box 98, Toronto, Ont.  
M5W 1A7

## PASSAGES

DIED British film and stage actor Sir Michael Redgrave, 77, after suffering from Parkinson's disease for 12 years, at a nursing home in Denham, near London. Redgrave was invited to join the Old Vic theatre company by Tyrone Guthrie in 1958 and he became an acclaimed performer before he made his first movie, Alfred Hitchcock's *The Lady Vanishes*, in 1958. He acted in 30 films, including *The Awakening Violent*, *The Dam Busters*, *Acquiesce* and *The Go-Between*, but it was his 1968 autobiography, *In My Mind's Eye*, he said he preferred stage work. Redgrave's wife, Rachel Kempton, and his three children, Vanessa, Lynn and Carla, are also performers.

REINVENTED Blacklisted Hollywood screenwriter Michael Wilson and Carl Foreman, whose credits were withheld from the 1967 Academy Award-winning movie *The Bridge on the River Kwai* because they had refused to co-operate with the House Un-American Activities Committee investigating the extent of Communist sympathy in the United States with posthumous Oscars, by the Academy of Motion Picture Arts and Sciences. Wilson, who died in 1978, and Foreman, who died the day after he heard that the Writers' Guild of America decided last June that the writing credit for *Kwai* belonged to the two men who wrote the screenplay from Pierre Boulle's French novel. Boulle received the screen credit and the Oscar in 1956.

APPOINTED Editor emerita of *The Globe and Mail* Richard Doyle, 69, was an editor of *The Globe* from 1963 to 1978 and as editor-in-chief from 1978 to 1983, before questioning political parties, age, to the Senate, by Prime Minister Brian Mulroney. Doyle proclaimed himself the senior from *The Globe and Mail* and elected to sit on the government side of the Senate, saying that "nothing should be done" about the upper chamber, but admitting that he had no "passionate argument about what should be done."

RECOVERING St. Louis Blues hockey player Doug Wickhamshier, 33, from a four-hour operation on his left knee in a St. Louis hospital. He had been struck by a car after he lost his balance while trying to climb into the back of a pickup truck. The accident followed his participation in a traditional prank played annually at the team's rookie barn in Regina. Wickhamshier was a star junior player before joining the Montreal Canadiens as the first player selected in the National Hockey League draft in 1983. Montreal traded him to St. Louis last year.

Travel Alberta  
Call toll free 1-800-661-8888

Travel Alberta  
Call toll free 1-800-661-8888

# ALBERTA

*Wish you were here.*

© 1982 Government of Alberta

## A small-town murder

**T**ralee, a pleasant town on the west coast of Ireland, looks like a picture in a travel brochure. Oil pipelines in pealed pipe branch over the tops of Gaietymen in the pubs debating the merits of various Irish whiskies. And in late summer the 37,000 local residents welcome hordes of tourists, drawn by the flow of Tralee Festival—a week-long revelry in honor of saintly virtue. Most of the time the people of Tralee share ordinary worries about raising families and finding jobs now that the local industry—mostly machines and tool parts—is in decline. But for the past year they have lived with a horror that they would like to forget, but cannot: the murder of an eight-year-old child. The incident has placed Tralee in the spotlight of international media attention and made the pretty County Kerry town the focus of Ireland's acrimonious debates over contraception and sexual morality.

Last April 14 a jogger found the body of a baby washed up on the beach near Cahirciveen, 35 km from Tralee, with 28 stab wounds. Because of the social stig-



Protesters picket here in Tralee harbor

ma in Roman Catholic rural Ireland of giving birth out of wedlock, the authorities began looking for a single woman who had recently been pregnant but now had no baby at home. That description fit Jeanne Hayes, a 25-year-old unmarried woman who lived on her family farm 10 km from Tralee. As the Tralee Garda (police) Station she confided, along with several members of her family, to watching her newborn baby to death with a carving knife.

Hayes then denied killing her baby and charged that she had been abused by police during the interrogation. She confirmed that she had become pregnant by a married man, Jeremiah Looker, who worked with her at the Tralee sports complex. And she confessed that she had delivered a baby by herself in a field near her home. But her baby had died shortly after birth, she said, and she had abandoned the body, indeed, when she led the police to the site, they found the remains of an infant whose blood type matched Hayes's and Looker's. The Cahirciveen baby did not die months later, she says, dropped all charges for lack of sufficient evidence.

Faced with two infant corpses and the lingering interest of the Irish press, Michael Noonan, the minister for justice, ordered a full inquiry. Known as the "Kerry Babies Tribunal," it opened on Jan. 7 and is expected to last another

month. Press coverage of the tribunal has given Irish readers an extensive glimpse into growing up. As well, the tribunal's sometimes brutal exploration of the intimate details of Hayes's sexual relations with her lover in her red Min car have also forced its readers an eye-opening glimpse of sexuality in a country in which divorce is still unobtainable. And now the possibility that the Garda bungled the investigation has attracted legions of Irish feminists. They claim that Hayes is a victim of Ireland's antiquated divorce and contraception laws and of male sexual hypocrisy.

These revelations have rocked the area. Worse, the inquiry was launched at a time when sex already dominated Irish headlines. On Feb. 21, after heated debate, the Dail, or Irish parliament, approved legislation permitting for the first time in the republic's history the over-the-counter sale of condoms to anyone over the age of 18. Previously, a common way to cope with unwanted children was simply to have them and give them up. Some local people maintain that the murder of unwanted infants occurs too often to be ignored. Tralee Garda Sgt. Noel Power told McEwen's "It is an unfortunate thing to say, but it is fairly common in Ireland at this time. It's the shame of it, the disgrace of a single girl having a baby."

Local feminists agree. "The attitude

is that it's wrong to engage in sexual activities outside of marriage," said Margaret Ryan, 39. Ryan, married with two children, is one of the 19 active members of Tralee's Women's Group, which last week opened a five-room women's centre above Sheila's Restaurant on Castle Street to offer information and drop-in facilities for local women.

By contrast, many, particularly older people, maintain that Irish society now promotes adequately for unmarried mothers. "The tide has completely turned for them," said Mary O'Brien, who operates a day care center for infants in Tralee. She contends that by providing subsidized apartments for unmarried mothers, society actually encourages young women to have babies outside marriage. "You can go from one extreme to the other," she said.

One of the few matters on which the townfolk are still agreed is that it is hard to predict the long-term impact of the Kerry Babies Tribunal. At first there was a flood of roses and letters of support for Hayes. "All the women of

Ireland are backing you. I pray for you in your terrible hour of torment," read one typical example. But now such demonstrations of public support are beginning to dwindle. "It is hard to say how this will affect people's thinking," said Colette Kelleher, 33, a Tralee social worker. "Some will be

more convinced that women who sleep around should be put away."

Overwhelmed by the recent influx of reporters, many Tralee residents refuse to discuss the case at all. Sitting in a pub owned by her husband, Mike, Mary Kelleher told McEwen's angrily. "As soon as you mentioned that I just switched you right off!"

Serv. Michael Fleming of St. Brigid's Church demanded, "What good will come of it in 60 or 70 days?" Added Eamonn Cragan, a bartender on Bridge Street: "It's the outsiders coming in making the impact. It's just that this girl got caught." Still, so long as the tribunal's investigations continue, the townfolk will not escape the gloom of two tiny corpses.

—PHILIP C. WILKINSON in Tralee, Ireland.



Hayes: rooms, prayers

# MEET A SUBARU THAT'S WISE TO DRESS FOR SUCCESS.

Subaru has always been famous for its dependability.

In fact, Subaru owners are so happy with their cars, they rank second only to Mercedes Benz owners for customer satisfaction.\*

But there's another side of us that you may not be quite so familiar with.

Our good-looking outside. The 1985 Sedan, for example, has sleek, aerodynamic styling. A very plush

interior. And a range of luxury options, including power steering, mag wheels, power sunroof, air conditioning and cruise control, all available through our GL-10 package.

Underneath, of course, we're still the same reliable Subaru you've always known. With gutsy front wheel drive that'll help you get on top of practically any situation.

And a horizontally-opposed engine and four



wheel independent suspension for handling that'll get you around anything.

And fuel economy that's right on the money.

It's just that we have a new image to match our success.

So now Subaru is as beautiful on the outside as it's always been on the inside.





"Peter," I said,  
"How come your hair looks so healthy?"

"Tegrin Medicated Dandruff Shampoo,"  
he replied to my amazement.



1. Men Tegrin Medicated Dandruff Shampoo. Isn't that just for problem dandruff?

Peter: If you want healthy looking hair - you have to start by getting hair and scalp really clean.



2. Peter: When I shower I use Tegrin regularly to do a thorough cleansing job. Me: And your claim, healthy-looking hair is proof that Tegrin helps control dandruff.



3. Peter Right. And Tegrin also helps control that itchy scalp that used to annoy me.

Me: Again, I show Tegrin gets your scalp really clean.



4. Me: I'm going to give Tegrin Medicated Dandruff Shampoo a try myself.

Peter: You should try the herbal scent. Works just as hard as regular Tegrin to get your hair and scalp really clean.

critics across Canada and abroad failed to prevent the flow of money from within the company. Two of its most promising choreographers, Ann Doherty and James Kudrka, left within two years of each other, claiming that the National was not a creative place in which to work. Then, in May 1984, company stars Karen Kain and Frank Augustyn each issued similar complaints which seriously undermined Grant's leadership. In the same season a controversial but initially successful \$475,000 production of the three-act Danish dance Nephthys left the company \$200,000 in debt. Then some board members grew concerned that bad publicity might hamper fund-raising efforts. Grant was asked to leave a full year before his second contract expired.

Looking back, Kain now says that Grant never received due credit for his many achievements in developing both the company repertoire and dancers. Like most of her colleagues Kain expresses a personal affection for Grant but says that he was ultimately defeated by the institution's complexity and its perceived need for strong leadership.

Grant, still bitter, claims that his long-ago was a strong one John Cusack's famous full-length ballet solo, *Nephthys*, for which sing rights were acquired by Grant, because a bit of the 1984 Toronto International Festival. This year the once-controversial *Nephthys* has been revived under Grant's successor, Erik Bruhn, to near-sollicit homes. Demanded Grant. "This repertoire I brought is going to be the backbone of The National Ballet for years. What more can a director do?"

Still, Grant remains attached to Canada. He became a Canadian citizen last July and has worked over summers at the Boff Centre staging Ashton ballets for professional students. And after Christmas, having returned to London from staging Ashton's *Pygmalion* for The Royal Wausage Ballet, Grant became the first dancer to perform in two separate London productions of *The Nutcracker* in the same season. Respected ballet historian and critic Mary Clarke described his performance as *Drosselmeyer* in *Nutcracker* as "a great performance by a great artist."

The accolades for his responsiveness on the British stage has restored Grant's customary optimism, and despite continued pain from an arthritic hip he has re-established himself as Britain's pre-eminent character dancer. Grant proudly cited a string of recent critical notices. "It is really rather unexpected and one cannot help feeling thrilled," he told *Maclean's*. But asked if he would dance with The National Ballet again he said: "I suppose it might happen, but I am awfully busy now."

—MICHAEL CHAFF



## The 24 hour standby.

Money at your fingertips is only footsteps away, any hour, any day at eight major Canadian airports; Halifax, Montreal, Ottawa, Toronto (Terminal II), Winnipeg, Calgary, Edmonton or Vancouver.

Royal Bank Personal Touch Banking Machines\* give you up to \$500 a day; let you deposit, transfer, pay bills, even access your Visa just like you can at your branch back home.

In fact there are over 700 ways to reach your branch back home—in more places and more towns than any other bank or trust company.

Come in and ask for a Royal Bank Client Card with Personal Touch Banking. We're always on standby.



ROYAL BANK

## Refuelling 'Coalgate'

Early in 1983 the former Liberal government announced that it would enter negotiations to provide \$100,000 to a consortium led by former energy minister Alastair Gillespie for a study of ways to turn coal into oil. Members of the Conservative opposition immediately charged a conflict of

interest, while the papers dubbed the political controversy "Coalgate." The Tories charged that Gillespie had received preferential treatment from the former minister, Marc Lalonde. The Conservatives insisted that the grant constituted a violation of the Liberal government's own 1980 conflict-of-interest

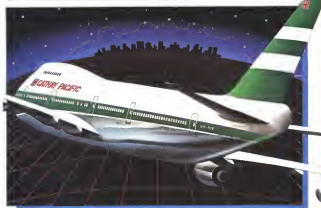
strict guidelines, which called for a two-year "grace" period before former office holders dealt with departments they once ran. Demanding Lalonde's resignation, then-interim opposition House leader Erik Nielsen said, "Liberals look after Liberals with public money." And Jean Chretien, then energy minister, told reporters that federal funding was no longer "alive."

Two years later Gillespie's plan to turn coal into liquid fuel continued, and his Toronto-based consortium, Scotia Coal Synthesis Project, will complete a detailed feasibility study by midyear. Despite Chretien's assurances, Gillespie told Maclean's that the funds promised by Ottawa "were never ever withdrawn." Instead, shortly after taking office last September, the Conservative government confirmed that another \$250,000 for his study's research would go through—due in large part to the enthusiastic backing of Nova Scotia Tory Premier John Buchanan.

Ottawa's new consensus for the project is a sharp contrast to Nielsen's scathing attacks. At the time, Nielsen forced the government to release related memos which showed that Gillespie had begun promoting his energy scheme in private correspondence with his former deputy minister, Marshall Cohen, and other former cabinet colleagues as far back as 1980, less than two years after losing his Robicsek Centre seat in the June, 1979, election. Lalonde had approved the grant as energy minister and first claimed he learned of the project only after the 26-month cooling-off period was over, in September, 1981. But on Jan. 15, 1981, Cohen had written a memo to Lalonde outlining events concerning Gillespie's proposal—a memo that began, "You will recall..." While Lalonde ignored the demand for his resignation, the ensuing furore forced Gillespie to quit as chairman of the Toronto-based brewing giant Cerling O'Keefe Ltd., which, although unrelated to the Synthesis controversy, was still widely sensitive to what Gillespie described in his resignation statement as "publicity of a political nature."

But Gillespie remained an avid champion of Synfuels and continued to lobby governments and private sector leaders for completion of the project. One key argument was his claim that the project could create 1,000 jobs in chronically depressed Cape Breton—where the unemployment rate is more than 30 per cent. That appealed to Ottawa, an official in Energy told Maclean's, "The fact that it was Gillespie's plan made it was a case of 'hold your nose and go for it'." Declared Gillespie: "A project will go if there is the political will." On his record to date, political support should be the linch of Gillespie's worries.

—CHRIS WOOD



## The only non-stop to Hong Kong. The fastest.

Cathay Pacific is the airline committed to getting you to your destination in the best possible shape.

That's why Cathay Pacific fly the only non-stops from Vancouver to Hong Kong, saving you up to four hours on the round trip, with onward wide body connections to Asia and beyond.

*Arrive in better shape*

**CATHAY PACIFIC**  
The Swiss Group 

Abu Dhabi • Bahrain • Bangkok • Bombay • Brisbane • Calcutta • Chennai • Frankfurt • Fukuoka • Hong Kong • Jakarta • Kuala Lumpur • London • Manila • Melbourne • Osaka • Peking • Perth • Seoul • Singapore • Sydney • Taipei • Tokyo • Vancouver

**Mobil Masterpiece Theatre** presents:

# All For Love

A SERIES OF FIVE PLAYS  
STARRING: **JOAN FLOWRIGHT**  
**ALEC MCCOWEN**  
HOST: **ALISTAIR COOKE**  
BEGINS ON **SUNDAY MARCH 31**  
ON PBS, CHECK YOUR LOCAL LISTINGS

**Mobil Oil Canada, Ltd.**  
Mobil Oil Sales Inc. P.O. Box 1000, Burnaby, B.C. V5C 2H1



# Kodak Diskettes

Double Sided • Double Density  
40 TPI • Soft Sealed  
10 • 5 1/4 inch diskettes

## A NEW LEGEND BEGINS

## INTRODUCING KODAK DISKETTES

For as long as anyone can remember, the world has trusted Kodak film to capture its memories. Now the world can trust legendary Kodak quality to capture its computer data.

Introducing Kodak diskettes. And the beginning of a new legend.

We know you expect nothing less than extraordinary performance from a Kodak product. We didn't disappoint you.

These remarkable new diskettes are so thoroughly tested, they're certified error-free.

Every Kodak diskette has a highly burnished head surface for optimum read-write accuracy. And every standard diskette is made to withstand 4 1/2 million passes before significant wear occurs.

With accuracy and durability like that, we can offer this no-questions-asked replacement policy.

**This KODAK Diskette will be free from manufacturing defects, or we will replace it.**

Kodak diskettes for home and business PC use are available in standard 8- and 5 1/4-inch formats, high-density 5 1/4-inch diskettes, and 3 1/2-inch micro diskettes in our HD 600 Series.

New Kodak diskettes. Because the only thing that can follow a legend is another legend.

**KODAK**  
The name says it all.



### FOLLOW-UP

## From Poland with hope

In a tidy, spare bachelor apartment in the Toronto suburb of Markham, Polish-born Tom Wloszyn was celebrating his 11th birthday. Wearing a three-piece suit with a white ruffled shirt, he greeted his guests in English, instead of the traditional Polish welcome, "Proszę bardzo." His mother, Krystyna, 35, expressed disappointment that after less than four years in Canada, "he has forgotten his Polish." Still, it was clear that Tom, along with his uncle and cousin, who fled Poland in 1981, is adjusting to life in Canada.

The Wloszyn family—16 men, women and children—arrived in Montreal in October, 1981, aboard the Stefan Batory, a Polish cruise ship. That month Immigration Minister Lloyd Axworthy had announced relaxation of immigration rules, so that unaccompanied women to Canada could apply for refugee status from within the country rather than waiting in refugee camps abroad. Quickly taking advantage of the change, 134 Poles left the Batory without visas or immigration papers to settle in Montreal and Toronto. Since then more than 31,000 Poles have come to Canada, fleeing their country's political repression and economic restraints.

For Krystyna, culture shock is compounded by personal difficulties. She is a single parent, divorced from Tom's father (who still lives in Poland), and must cope with her new life on her own. In Olsztyn, Poland, she was a pastry cook and worked a regular 9:00 a.m. to 4:00 p.m. shift. She was able to pick Tom up at the state-run nursery school after work and had plenty of time to spend with him in her two-room flat. But in Toronto that job Krystyna was able to get was at the Polonia Hotel Market and Delicatessen, where she works all day Saturday as well as three to four days a week. Tom is by his own until she can get back to the one-room apartment in Canada she cannot afford a television set, which she had in Poland, and her furniture still consists of mismatched pieces provided by the federal government as part of the adjustment assistance program.

Life is less difficult for her older brother, Wladyslaw, 35, who fled with his wife, Danusia, and their three children in a bachelor apartment with a toilet, but no bathtub. "There was no future," he recalled, "especially for the children. There was a shortage of clothing, food, apartments." Now a welder/mechanic for the Ontario Bus and Truck Industries, Wladyslaw has bought a

three-bedroom townhouse in Mississauga.

Janina, a truck driver in Poland and the youngest of the three, has flourished in Canada. "I gumbled when I got off the Stefan Batory with my pregnant wife, Krystyna, and our daughter, Janina," he said. "I gumbled and I won." Their second daughter, Paulina, now 3, was born five months later. Janina says that he left "because of everything," especially the shortages.

Janina got a job cleaning carpets when he first arrived in Toronto. "The help the Canadian government gave me—money, an apartment—was enough to get started," he said. Now running his own business, the Casual Trading Co., which imports leather fashions from Turkey, he lives in a large two-bedroom apartment at Jane and Finch streets with a restaurant pool and tennis courts. "Things are good," he told *Maclean's*. "I have no wish, my kids, a car, a house. My parents came over on a visitor's permit a year ago and they live with us."

As young Tom set the three-layer coffee cream birthday cake, the family was celebrating more than a boy's birthday. Of the 114 Poles who walked down the gangplank of the Stefan Batory, the Wloszyns, at least, have found a satisfying life. Wladyslaw Wladyslaw: "There is no conflict. We found what we were looking for."

—DEAN GILMAN



Krystyna, Tom Wloszyn: cake but no TV

## GREAT BRITAIN BY THE BOOK



Travel through Great Britain the BritRail way and discover how pleasurable—and economical—train travel can be. Our brochure, *Go BritRail*, gives you information on how to get a BritRail pass, the different BritRail travel options and prices. For instance, a 14-day BritRail Economy pass gives you unlimited train travel all over Britain for just \$220—that's less than \$16 a day. Send for our free brochure now, before you start planning your vacation in Great Britain because you have to buy your BritRail Pass before you leave. Then see your Travel Agent.

**BritRail Travel International**  
91 Cambridge St. 5th Fl.  
Toronto M5H 1A3 Canada

Please send me your brochure: *Go BritRail*

Name \_\_\_\_\_

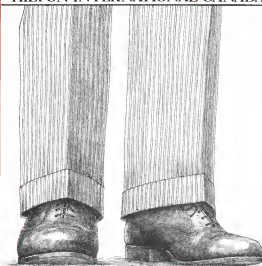
Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone \_\_\_\_\_

**BritRail Travel**

## HILTON INTERNATIONAL CANADA



## HILTON'S **No Stop Check-Out** TAKES THE WAIT OFF YOUR FEET

Check-in with an accepted credit card and Hilton will check-out for you. Just tell us when you'll be leaving and we'll slip your credit card receipt and Hiltoned Hotel statement under your door during the night.

Next morning, simply drop your room key in the **No Stop Check-Out** box in the hotel lobby, and you're off. No stopping at check-out lines. No waiting for receipts in the mail.

Ask for Hilton's exclusive **No Stop Check-Out**. It'll take the wait off your feet, and your mind. For reservations, call your travel agent, Hilton Reservation Service or any Hilton International hotel.

SAINT JOHN, N.B. • QUÉBEC CITY • MONTREAL (Downtown) • MONTREAL AIRPORT (Dorval) • TORONTO (Harbour Castle) • TORONTO AIRPORT • WINDSOR

WHERE THE WORLD IS AT HOME™

COLUMN

## The Music Man in Quebec City



By Charles Gordon

When you read all these newspapers telling you they never reported the Mulrooney Summit, to amount to much, remember how they typed it for all it was worth before it began. Remember, also, an important fact about news and media: there isn't enough news to go around. There are too many news outlets, too few real events for them to cover. To the news-starved media, St. Patrick's Day itself is news, even without the summit. Will there be enough green beer to go around? Green wine? Where can you rent a shillelagh? The public has a right to know.

Typing an event before it happens is one guarantee of a good story. The actual events are often a letdown. Consequently, the best story is the anticipation of the event, the advancing of it. The event isn't let you down when it hasn't happened yet.

And how could you beat this one? Reagan and Mulrooney—two Irishmen—meeting on St. Patrick's Day. You can believe one of two things about the timing of the event. First, that it was one of the most amazing coincidences in the history of modern-day diplomacy; or, second, that so much public relations power was drained in choosing this one up that little fit firms across the continent didn't have even enough juice to run the Xerox machine the next day in one. For Canada, the importance of a meeting between Canadian and American leaders is what it talks us about Canadian independence—the fine balance between friendship and enmity that defines the Canadian identity. Like it or not, Canada's identity is defined by the degree to which our nation is different from the one to the south.

The agreements that came out of such encounters are not the result of the meetings. They are decided in subsequent sessions that have little to do with the summit itself. What comes out of the meeting is symbolism, and that is what we are left to chew on after the President goes home. The symbolism of this one is too easy. Mulrooney and Reagan singing *When Irish Eyes Are Smiling*, and then Mulrooney singing a short solo into a microphone held by the chairman of the Canada Council, for Pete's sake, and making the high note.

Even before the summit, commentators have been having a field day with The Regency Prime Minister. What educated person can say no to a metaphor? In case you missed it somehow, here it is: Mul-

rooney, as a boy in Rue Concorde, used to sing for Col. Robert McCormack, the American newspaper tycoon, now Mulrooney, as a man, sings for the President of the United States. Dynamite. All over Canada, shapers of opinion are holding this one in their hands as if it were a brand-new ball. They roll it, toss it up in the air and catch it. Our Prime Minister sings for the President. Can you speak?

The curious thing about the image in that Mulrooney was carefully woven by the media is that Mulrooney was creating it. Among his admirers there are at least a couple who understand what a metaphor is, and what happens if it falls into the wrong hands. So we must assume that Mulrooney chose his name deliberately, chose to be known as The Man Who Sings For The President. Why would he do that?

First, it might work. The President, Mulrooney figures, might be more likely to make concessions to someone who likes him. The last Prime Minister to

***'We must assume that Mulrooney deliberately chose to be known as The Man Who Sings For The President. Why?'***

deal with Reagan did not think too highly of him. And he did not get much out of him either.

Second, Mulrooney figures he can get away with it politically. He knows that Pierre Trudeau, in using his peace initiative in opposition to Reagan's policies, made a lot of friends around the world and made a lot of Canadians good. Mulrooney also thinks that Trudeau left office with little to show for his efforts on the world stage. Mulrooney also thinks that a significant number of Canadians would prefer progress on bilateral issues to the admiration of world leaders who don't happen to be American. He can turn to Canadians now and say, "Yes, I sing, but I also got us something on solid rock and what did Trudeau, who didn't sing, ever get?"

Of course, Mulrooney didn't really get anything concrete on and rain. What he got was a symbol of something concrete on and rain, an explicit acknowledgment by the President that his country bears some responsibility for it. In light of past American policies, that is something. In light of the gravity of the acid rain problem, it is not much just a

symbol. But sometimes symbols appreciate something, right?

No matter what attitude toward the United States a Prime Minister adopts, he is going to go to the White House at some time. Trudeau, it is thought, benefited politically from the peace initiative, but didn't stick around to measure those benefits at the polls. Lester Pearson suffered in silence—or quiet diplomacy, an advocate of silence prefer to call it—over the League of Nations, the traitor's Vietnam policies. For his release, Pearson was assigned at home as a study to the Americans. When Pearson finally spoke publicly on the subject, urging the Americans to consider a halt in the bombing of Vietnam, Johnson yelled at him. Like Trudeau, Pearson resigned from politics before the Canadian voter could pronounce judgment on whether it was a good or a bad thing to be yelled at by the President of the United States.

The closest thing to an electoral test we have had in recent years was the 1982 election, when John Diefenbaker made Canadian-American relations, particularly with respect to nuclear weapons, a top issue in his campaign. An Diefenbaker told it, he was on one side, the Liberals and the Kennedy administration were on the other. The Liberals and the Kennedy won. If history provides as clear verdict on the politics of being friends with the President of the United States, it is not clear that being enemies is not a complete guarantee of success.

For those tired of bouncing the Singing Prime Minister metaphor, there is another one, the side door. Arriving in Quebec City, Mulrooney had to be brought to the side door of the Chateau Frontenac in order to be spared the sight of demonstrators at the front. Both the President and the Prime Minister have to go through the side door of the demonstrators' anger to disperse before the President's arrival, but not all were polite. No can they be expected to be polite in the future. If Mulrooney needs a reminder that Canada's politeness is not limited, there it is being thrown out the side door. The lack of the Irish can be had too.

Charles Gordon is a columnist for the Ottawa Citizen.

# After the eyes stopped smiling

By Maed McDonald

The scene had been meticulously orchestrated as the climax to a public relations triumph. Fresh from championing *When Rink Goes Round* and signing a record number of bilateral accords, Ronald Reagan and Brian Mulroney wrapped up their "Shawinigan Summit" talks last week by striding on the ramparts of Quebec City's historic Citadel. But as the President and the Prime Minister posed against the backdrop of a fortress raised to defend the country from American attack after the War of 1812, the symbolism proved fitting as a way that the summit organizers had not planned. Even before their 26-hour meeting had ended, opposition critics had provoked a stinging Conservative debate by accusing Mulroney of failing to protect Canadian interests on defence and aid cuts. Charged New Democratic Party leader Ed Broadbent, who headed an unsuccessful motion of no-confidence against the government "It was a shamrock shuffle with President Reagan, who called the time and place of the summit."

In fact, part of the controversy over whether Mulroney had traded away too much to demonstrate "new partnership" with Washington arose not from what he had done but from the revelations of what the Reagan administration might be asking of Ottawa. In an interview on CTV's *Canada a.m.* before the opening of the summit's second day, U.S. Defense Secretary Casper Weinberger said that cruise missiles and bombers "could" be stationed on Canadian soil in the future. The ensuing debate led both Canadian and American officials into a heated damage-control exercise. But within hours Reagan's own keynote luncheon speech in Quebec City

stirred further concerns among some Canadian observers. It is a barely veiled attack on Soviet arms control violations, the President extended an informal offer to the Mulroney government to participate in research for his Strategic Defense Initiative—the space-based missile program popularly known as Star Wars.

ambassador in Washington, said.

From the moment Reagan stepped off Air Force One on St. Patrick's Day wearing a tie of brilliant shamrock green, the meeting was a deftly choreographed dance of diplomacy and spin. In their two hours of private meetings the leaders constantly traded one-finger, in public they balled



Mulroney and Reagan with wives, Rita and Nancy, trading one-finger and smiling friendship

each other as friends and levitated poison on each other's policies. Even the government's acceptance of Reagan's contention that the problem of acid rain needs more study rather than early cleanup statutes was arranged in advance. Despite efforts on both sides to prevent the appointment of former Ontario premier William Davis (now) as U.S. transportation secretary Andrew Lewis as high-profile, Mulroney said rain clouds in an eleven-hour session, the U.S.-designed compromise had been on the negotiating table for at least a month.

But the choice of the two men to give the issue further study provoked criticism. Lewis, who has led New York-based Warner Amer Communications

Inc., is a confirmed Reaganite—and a native of Pennsylvania, a state where coal-fired power stations are cited as a major source of acid rain. At the same time, environmentalists charged that Davis's government was slow to take action against the air pollutants in the province, and parliamentary all-party subcommittee last year criticized publicly several Ontario hydro for failing to set an example in aid and run control.

But what caught the non-leaders at guard was Weinberger's comments to CTV's Craig Oliver on defence. Asked if sensitive missile technology could be placed on Canadian soil, the defense secretary replied, "Some might be here, some might be in the United States,

such plans existed—and if it did, it would require the Canadian government's permission. External Affairs Minister Joe Clark and Mulroney made similar comments. But Weinberger's statement undercut Mulroney's repeated references to Canadian sovereignty, as did Reagan's offer to allow Canada a chance to participate in Star Wars research. Ottawa has repeatedly claimed that sharing the costs of upgrading the *NEW Line*—replaced the North Warning System—will not lead to any further defense commitments.

The controversy was heightened by the fact that the official Pentagon transcript of the Weinberger interview omitted the exchange over missiles and

signed by Reagan and Mulroney, the two men said in their respective press systems. Added Ambassador Goldfish: "The President regards this defensive technology as something beneficial to mankind. He has even offered to share it with the Soviet Union and the European Community."

But in the Commonsense, oppositionists harshly criticized the deal. Former justice minister Jean Chrétien charged that in the context of the North Warning accord, the government had secretly agreed to establish a series of military bases in the Far North. Added Liberal House Leader Herb Gray: "The Conservative government has not yet told the whole story to the Canadian people."

Some analysts contended that the summit made it clear that strategic considerations are one of the Reagan administration's main interests in Canada. To that end, the President reserved his most stirring tributes for Mulroney's recent decision to increase defense spending in 1987. Reagan also used the summit as a stage from which to express strong anti-Soviet sentiments. As a result, some observers claimed that the meeting raised fundamental questions about Canada's future role on the world stage. University of Toronto political economist Stephen Clarkson, for one, said that by trading off Canadian support in return for a closer alignment with U.S. policy, Mulroney has paid a heavy price. Said Clarkson: "It might be too early to say whether Mulroney has brought about a historic reversal of what had been a slow and difficult process of increasing Canadian autonomy."

But Clark, in talking in the Commonsense the agreement to set up the new radar system, restated the government's claim that Canada's sovereignty will be protected. That assurance, declared Clark, "is written into the North Warning System, as it was not before, and it survives all the other alleged 'deal' of this government." Canadians, he added, are now "more able than we might have been before to stand up equal with our friends the Americans and not live always in perpetual fear of them. We are not even people and this government is prepared to sign this fact and act on it with pride." □



Weinberger and Mulroney: rivaling revelations and a heavy damage-control exercise

some might be in use. It just depends on where is the most effective technical place for them to be put. Clearly, Weinberger did not rest in the outside until he became front-page news across the country. He calmly told Oliver at the end of the interview, "My job here is not to make news."

Overseas Colin Campbell, a Canadian professor of politics and philosophy at Washington's Georgetown University, "It shows there is just incredible ignorance of the issues which raise the Canadian leader in this administration there's just a total lack of perception about the degree to which Canadians will not tolerate intervention into the American defense grid."

U.S. spokesmen later insisted that no

U.S. officials stressed that nuclear-to-rail missiles do not have to be nuclear-equipped. At the same time, they refused to deny that Washington might one day ask Ottawa to deploy missiles on Canadian territory.

Many observers were surprised that Reagan chose an official visit to Quebec City to publicly invite Canadians to join the project. But unlike Weinberger's remarks, the gesture was clearly intentional. Indeed, when administration officials briefed Canadian journalists before the summit, they stressed that European governments had already asked to participate in Star Wars research, and they noted that Canada could lose a great deal by being left out. Then, in a joint defence declaration



Bagen and Mulroney: a pledge to remove infants and full protectionism

## A freer exchange of trade

By Michael Hesse

A nation that relies heavily on foreign trade for jobs and wealth, Canada has traditionally demanded the widest possible access for its exports to the rest of the American market. At the same time, many Canadians have harbored concerns that a complete open door to U.S. exports could severely damage Canada's much smaller manufacturing and service industries. As a result, Canada has historically shielded manufacturers behind a tariff wall while granting banking and other services from foreign competitors with protective laws. For their part, American producers have sought various times to protect themselves from cheaper and more plentiful resource-based imports from Canada. Still, in Quebec City last week, Prime Minister Brian Mulroney and President Ronald Reagan—on a move that could prompt the two nations toward eventual free trade—agreed to "give the highest priority" to the reduction and elimination of trade barriers between the two countries. But the understanding raised concerns in many quarters about the consequences for the Canadian economy if that goal were ever realized.

The joint statement called for the removal of a cluster of trade irritants between the two countries, and it pledged to "halt protectionism" that political and business observers said that the actions might not have any tangible

effect on the growing protectionist mood in Washington. For one thing, Congress recently erected barriers to Canadian steel pipe, and the U.S. government has imposed certain affecting specialty steel products and some products containing Canadian-refined sugar. For another, the House of Representatives is considering a bill to curtail imports of Canadian softwood lumber. There was also a suspicion among political and business observers that the Reagan government's support for the trade initiative might be merely intended to support a broader U.S. strategy to persuade its other key trading partners, such as Japan and the European Community, to follow suit.

The campaign to reduce trade barriers had an awkward beginning when U.S. Trade Representative William Brock, who was to have worked out a "mechanism" for change with International Trade Minister Jean Lesage, by mid-September, was nominated by Reagan two days after the Quebec City summit to the position of secretary of labor in the President's cabinet. Brock's successor as trade representative had not been named at week's end, but William Marker, the deputy assistant U.S. trade rep-

resentative for the Americas, said he expected that a subgroup of the U.S. Trade Policy Committee would meet with Canadian officials for discussions. The understanding by Mulroney and Reagan to address a number of "specific impediments to trade" could prove to be a complex and time-consuming task. Among the irritants that the two leaders want to remove within a year:

- Government-backed "Buy American" or "Buy Canadian" policies that prevent foreign-owned manufacturers from bidding on publicly funded contracts.

- Canadian airline regulations that restrict U.S. carriers' pre-existing activities on transborder routes.

- Energy export regulations such as those by Ottawa's National Energy Board that limit the freedom of Canadian producers to export oil, gas and electricity and to negotiate selling prices.

Even if the thrust to trade liberalization falters, Canada and the United States will almost certainly remain each other's most important trading partners. In 1984, 75 per cent of Canada's exports went to the U.S. market, while Canadians bought 72 per cent of their imported goods from the United States. Moreover, most of the U.S.-Canada trade, valued last year at about \$150 billion, is already duty-free. And that few will increase by 1991 with changes under the General Agreement on Tariffs and Trade, which will allow about 65 per cent of U.S. goods to enter Canada duty-free and roughly 80 per cent of Canadian goods to move duty-free to the other direction.

On the Canadian side, any move toward completely unimpeded trade between the two countries would likely be delayed or stopped by conflicts between the opposing needs of Canada's regions. For their part, the resource-rich western provinces would welcome free access to U.S. markets, while Ontario Premier Frank Miller argues that free trade would cost his province tens of thousands of lost jobs in the manufacturing sector.

Because of the complex political and economic problems involved, Ottawa and Washington may be inclined to move slowly on the bold proposals first forwarded in Quebec City. "No decision has been taken by the Canadian government on how far it is willing to go," said a senior Canadian official. "But the decision has been taken by the American government."

PHOTO BY ANDREW L. ROBERTSON FOR THE GLOBE AND MAIL



Miller of the Barber's: dark suits have replaced the former sports jacket

## The race to a spring vote

The radio reporter was looking for a newsworthy pre-election process stirred Ontario last week. He asked Premier Frank Miller whether he should pick his house in the spring or the fall, because covering a campaign would demand that understanding. But Miller—in office only seven weeks, but skilled in the art of verbal sidestepping—advised the journalist to wait further. The premier prepared his new government—and primed the voters—for its first test at the polls, expected in May.

It is a contest that Miller will almost certainly win. The Conservative party that he leads has held power in Ontario since 1943, and recent party polls indicate that 55 per cent of the voters favor the Tories, who only 51 per cent back the Liberals and the same percentage supports the New Democratic Party (pre-election standings in the 125-seat legislature: Conservatives 72, Liberals 38, NDP 25, vote 3). Since Miller succeeded William Davis as P.M. he has been modestly less open, preparing to ride into the election on the party's popularity and his adopted image as a moderate, dignified and competent manager—putting behind him the reputation, earned during 21 years in the Davis cabinet as a feisty, right-wing minister.

Miller, 57, shifted his style and persona in order to broaden his appeal and hold together the traditional Tory coalition of urban and rural supporters. Dark suits have replaced the former neo-actor's man and resort owner's once familiar

tan sport jacket. Instead of headlines in praise of free enterprise he has been calling for justice for tenants, women, youth, small businesses—and the 9.9 per cent of the province's labor force that is jobless. In a series of announcements last week, his government moved to lower the controlled ceiling on annual rent increases for 300,000 tenants in rental accommodation to four from six per cent and to provide \$50 million for 1,500 additional day care spaces over the next two years. Then he set out the counterpart—a three-year economic plan entitled *Redefining Ontario*, which will slash provincial corporate income tax on retained profits of small businesses and provide other aid to small firms, open a trade centre in China and pay start-up costs of another 1,200 day care spaces to let more women work.

Both appetizing parties insist that they have winning issues. David Peterson, the 41-year-old lawyer-businessman who has led the provincial Liberals for three years, will campaign on promises to help the jobless and slash mortgage premiums. The NDP, under labor lawyer Robert Rae, 36, plans to stress the problems of the unemployed. At the same time, the Liberals contend that Miller himself is their hidden asset, and Michael Lewis, co-manager of the NDP campaign, said that his party will try to exploit "a generational gap between Miller and groups such as youth and women." These strategies could set into Premier Miller's lap, but they are unlikely to defeat him.

—MARY JOHNSON

## The heavy hand of patronage

Prime Minister Brian Mulroney scored marks for statesmanlike behavior and political acumen when he named former Ontario New Democratic Party leader Stephen Leveson as ambassador to the United Nations in November. But since then Mulroney's second intention of replacing the patronage of former Liberal governments with a less partisan approach to non-elective office has been swept away in a rush of free-blue Tory appointments. Since December Mulroney has put more than 200 partly and completely loyalists into jobs that pay salaries of as much as \$84,000 annually. Then, after another unapologetic jump of all but two of the 10 Liberal-appointed Air Canada directors, the government replaced their last week with Tories.

Only Air Canada's chairman, Claude Taylor, and president, Pierre Jonsson, were spared in the boardroom bloodletting. The new directors, who receive first-class airline passes as well as \$306 a day in fees and \$500 in daily expenses for attending board meetings, have all served the Conservative cause. They include former Newfoundland premier Frank Moores, a close friend of Mulroney's, chief party fund raiser David Angus of Montreal and the only woman in the group, Margaret Gorman, a former lawyer of York, Ont., who tried in vain to run as a federal Tory candidate for Parliament in Toronto last year and then sought a provincial nomination. NDP finance critic Nelson H. McEwen, a former Ontario Minister, told Mulroney had appointed Tory "barbs, ferals and lagunes." The Prime Minister told reporters that after years of Liberals on the board, "we think it's time to change that a little bit."

Next, Mulroney replaced the government with a coach of the apportionment that marked his recruitment of Lewis, who was named the ambassador just after he had blundered Mulroney's foreign policy in a guest column for *Maclean's*. Last week, 31 days after Toronto Globe and Mail editor emeritus Richard Dey's had argued in his three-weekly *Globe column* for an elected Senate, Mulroney appointed him a senator. But Dey, 62, who said that he would sit as a Conservative in a post-liberal party, didn't even make it to his \$18,000 a year \$100,000 tax-free expense, but also written—when Liberal senators held on a government borrowing bill earlier this year—that "the boisterous whines of Liberal fans have been whaling the forces of sober second thought in the Senate and known as elected Parliament." ☐

# Montreal: a city on the move again

By Anthony Wilson-Saikh

Single and unemployed, Daniel Tallon left his home town of Montreal in 1977 in search of a future. He was 30 years old. Faced with Montreal's stagnating economy, linguistic tensions and a dwindling anglophone population, Tallon—who despite his French surname speaks only English—realized feeling that the city was dying, "and I didn't want to die along with it." Then, last year, after working for an oil company in Fort McMurray, Alta., and repairing

accounts representative for Xerox Canada Inc. "There is a sense that all the differences of a few years ago have been put behind us. We're not what we once were, certainly, but we're no longer in despair." Added Philip O'Brien, the bilingual president of Montreal's *Chambre de commerce*: "For the first time since the 1930s, it is fun to be a businessman and be in Montreal." O'Brien, the son of an anglophone mother and a francophone father, has gained widespread respect as the head of Montreal's largest business group.

549,332. Observed Eugene Rouman, president and owner of First Quebec Corp., a real estate development and property management firm which is building a 30-story downtown office tower: "It is going to be the skyscraper. I cannot remember when we have had so many queries [for occupancy] as early for a new project."

Still, the city's mid-renaissance is unlikely to reverse its earlier corporate and business pre-eminence over its traditional retail Toronto. A total of 213 of Canada's 650 leading corporations now

operate or become merely "a big Midwestern"—a provincial city lacking in national or international stature. From 1971 to 1981, the population of the Montreal Urban Community (MUC), which embraces 28 island municipalities, fell by one per cent to 1,758,125 from 1,807,125. Now, the provincial bureau of statistics puts the week's population at 1,760,164, indicating that the decline has been reversed.

Before the latest signs of revival, attempts to attract new businesses to the city were greeted with scepticism. Said Stephen Shultz, director of the MUC's economic development office: "Basically, you had to start every presentation with a pre-emptive answering fearful questions about the language and political situation."

Now, the most striking difference in Montreal's atmosphere is the general sense of calm that prevails on the language issue. That is partly a result of the increasing bilingualism of the province's 610,000 anglophones. Adult English speakers have been attending language schools in large numbers, with more than one-third of the elementary and high school students in the city's anglophone school board are enrolled this year in French immersion courses.

As a result, Statistics Canada reports that the percentage of bilingual Quebecers whose mother tongue in English rose to 52 per cent in 1981 from only 37 per cent a decade earlier. At the same time, both francophones and anglophones offer as a beneficial influence on the emergence of a Québécois bourgeoisie that has reshaped the city's financial core, which a decade ago was dominated by anglophones. The opening of such companies as the publishing giant, Quebecor Inc. and the Procter grocery chain into the rest of Canada and the United States has coincided with a marked decline in Quebec's industrial investment. Said Pierre Leflin, president of the Montreal Exchange: "These people are young, very well trained and quite confident in their abilities. This new generation of managers will shake this country."

For Montrealers—who left and have returned, the coming of old business in the city is bittersweet. "When I left here, I had no interest in speaking French," said Daniel Tallon, "and part of the reason was that French-speaking people did not seem to have any pleasure in letting me try. Now, I want

to try, and everyone I meet is eager!" Still, the trendier or not, cannot disguise an underlying set of potentially difficult political problems. The *L'Avance* government still feels that the city is not sufficiently French-speaking, and it is considering plans to lengthen Bill 105, after a series of judicial decisions that restricted the use of English. As well, the city has lost some of its core

which benefited from Liberal largesse amounting to \$1.6 billion in federal grants for commercial buildings and the refurbishing of Montreal's Old Port harbor in 1983 and 1984—a no longer count as lavish funding from Ottawa.

There is also concern over the city's leadership. Mayors Jean Drapeau, 68, who has run the city for 27 of the past 38 years, suffered a partially debilitating stroke in 1982 and he has become increasingly reclusive. Said Jean Rivest, leader of the opposition Montreal Citizens' Movement: "Even those who admire the mayor do not deny that he and his party are tired, aging and running out of ideas. None of those qualities are conducive to the rebuilding of a city."

The issue that preoccupies many Montrealers is whether the city's current revival can last. Many other and business leaders claim that the key to Montreal's future lies in the development of a new role as an international business centre. "As Canada matures and we recognize our need to compete in foreign markets, Montreal is the one place where you can get the skills you need," noted Leflin. And other businessmen argue that the city's bilingual nature, its large ethnic population and its proximity to major U.S. markets make it a natural base for European firms doing business in Canada—and for Canadian firms intent on trading in Europe. Montreal now accounts for 55 per cent of Eastern Canada's total containerized shipping tonnage, and it intends to continue it. In the meantime, Baltimore as the second-most important such port on North America's East Coast after New York.

David Oliver, president and chief executive officer of Alcan Aluminium Ltd., the aluminum giant that employs about 11,500 workers in its Quebec smelting and chemical operations, is an ardent promoter of Montreal. In his words, he recalls the most frequently asked question in Alcan offices was: "When are we moving to Toronto?" Instead of leaving, Alcan invested about \$40 million in reconstructing an eight-story aluminum machine in downtown Montreal to serve as a corporate headquarters. Oliver contended at the time that "if we stick it out long enough in Montreal, one day things would get better." Despite the questions that still loom over the city's future, Oliver and many other Montrealers believe that day has definitely arrived. □



Montreal's downtown skyline after years of decline, a changed city is recapturing its commercial and social buoyancy

office equipment in Toronto, Tallon readily accepted an offer of a transfer to Montreal. Now, married with two children, he is enjoying French and saving to buy a house, and he says he will never come away from the city again. Added Tallon: "When you come down to it, there is still that special magnet to Montreal that makes it the only place in the country I really want to live in."

Tallon's sentiment, partly, reflects Montreal's gradual recovery. After 15 years of economic decline and population loss, and despite some political and economic uncertainties, Montreal now is regaining its buoyancy of nearly 50 years ago. The city's social and business life. Said Claude Roux, a francophone

Economically, Montreal is growing again. After a long period of stagnation set in train by the growth of automation, the 1970 French-Canadian language battles of the 1970s and the 1976 election of Premier René Lévesque's Parti Québécois government, all compounded by the recession of the early 1980s, a recovery is under way. For one thing, the City of Montreal issued a record \$636 million in construction permits last year—a 64-per-cent increase over the 1980 figure of \$386 million. As well, after a long period of stagnation in the real estate rental market, houses in Montreal sold for an average of \$54,437 last year, a 30-per-cent increase over the 1980 average of

about their head offices in Toronto, while 91 are in Montreal and 47 in Calgary. But many Montrealers are again cautious enough to poke fun at their old Ontario neighbor. Observed Montreal Gazette cartoonist Terry (Ailin) Mober: "To damn well rather have my head than live in a city where the prevailing sentiment is 'Thank God It's Monday.'"

The city's renewed optimism contrasts strikingly with the sense of despair that provided Montreal a recently as three years ago. Then, the city was reeling from a series of blows that grew underway in University of Montreal economist Fernand Martin's 1979 warning that the Quebec metropolis faced the



Tallon with wife, Karen, and children "happy"

formidable political influence in Ottawa. Although the Tories captured 11 of 28 Montreal-area seats in the federal election last September, many business leaders say that they do not have as much access to Ottawa's senior levels. Although Prime Minister Brian Mulroney is a former Montrealer, only two of his closest ministers are from Greater Montreal, compared with six in the last Liberal government. Montreal

# JETTA

Rather than driving  
a German engineered road sedan  
that tells people  
how much money you earn,  
now you can drive  
a German engineered road sedan  
that tells people  
how much money you've saved.



The German engineered Jetta is a loving acknowledgement of the joy of driving for its own sake.

**THE AFFORDABLE  
GERMAN ENGINEERED  
ROAD SEDAN**



V O L K S W A G E N

# An unholy war of attrition

By Jared Mitchell

They came in small boats as a straggling line from the quietly warring reeds of the oil-rich Hawrabi marshes that straddle the border between Iran and Iraq. Ill-equipped and badly trained, eight divisions of Iranian regulars and revolutionary guards—about 500,000 men—launched a long-awaited attempt to cross the Tigris River and cut the strategic highway that links the Iraqi capital of Baghdad with Basra, Iraq's major port city, near the head of the Persian Gulf. For several critical hours, the March 11 assault—code-named *haji* (haji means "pilgrimage")—seemed to be close to a decisive breakthrough. In the darkest fighting since the Gulf War began 4½ years ago, Iranian troops spanned the historic river with pontoon bridges and briefly seized 10 km of the vital highway. Then, but weeks later, Iraq's armed forces struck back with fury.

In what the Iraqi high command called "the greatest of all battles," hell-outer gunships and fighter aircraft rained over the exposed Iranian infantry. Iraqi ground forces, backed by tanks and armored personnel carriers—and apparently using mustard gas—swept turned back the enemy's human wave. The unarmored Iranians lost 27,000 dead in six intense days of combat. What was left were acres of bodies—thousands of corpses strewn across the battleground. The remains, declared Iraqi Defense Minister Gen. Abdul Karim, were "devoted for the victims." Bodies in 12 boats or canisters flown to European hospitals from Iraq showed that they were victims of mustard gas exposure. Iranian casualties claimed 12,000 Iraqis killed and 3,000 captured. But Tehran's weakened government of the mission attack as only the beginning of a full-scale offensive was itself a tacit admission that the campaign had failed.

**Warning:** The savagery of the conflict shocked the Middle East and across the world. In swift succession, the price of gold soared \$10 an ounce, international airlines cancelled flights into Tehran and Baghdad, and authoritarian Turkey reported that hundreds of Europeans had fled there from Iraq. By week's end, so an Iraqi counteroffensive pushed back Iraq's forces. Baghdad jets blasted Iranian cities. At the same time, Iran threatened to resume ground-



launched missile attacks on the Iraqi capital. Hashemi Rafsanjani, Iran's parliamentary speaker, declared that the offensive was "only a warning and a slap on the face to the Baghdad regime." Despite separate mediation efforts last week by the United Nations, the Gulf states and disaffected Iraqis, analysts said that there is virtually no prospect of a negotiated settlement in Washington. Richard Armitage, U.S. assistant defense secretary, said, "We anticipate a prolonged period of hostilities."

**Explosion:** In Baghdad, where the battle on the Tigris was hailed as a decisive victory, television showed hundreds of shrouded Iranian bodies lying in the marshland waters. But the celebrations were interrupted by four explosions that struck the capital in six days, killing an undetermined number of people—one blast alone killed 14—and damaging buildings. Iraqi officials blamed the shelling on Iranian saboteurs. But Iraq's media said that Iraqis repelled the attacks, and U.S. defense experts said that they were Soviet-built Scud missiles supplied by Libya. Tehran was under fire too, as Iraqi bombers few repeated sorties over the capital and foreigners fled. Said one French woman who arrived in Paris from Tehran last week, "There are acts of civilian being hurt in the bombing. The hospital where my husband works is overflowing with wounded."

Iran appeared to hold the upper hand in a war that has killed an estimated 250,000 people since September, 1980. Iran—armed with Soviet MIG jets and French Bastion missiles, and helped apparently by U.S. satellite intelligence—has the reputation to have a clear military victory. It has declared it to do so—in part, analysts say, because the Iraqi leadership, Sunni Muslims among a Shiite majority, fear the internal consequences of an unsuccessful attack on the Persian Gulf of Iran.

For its part, Iran has patients, resistance, determination and large numbers of troops. But its once powerful U.S.-equipped air force has become impotent. Now, armed only with Soviet-made weapons transhipped from Libya, Syria and North Korea, it lacks the air and logistical support needed to consolidate territorial gains.

The escalation of the war began on March 8 with an Iraqi air strike on

Ahwas, a major transport center about 100 km northwest of Iran's Abu Ghraib refinery, and then on other sites. The raids were apparently designed to force Iran either to seek a negotiated settlement or to begin its long-delayed ground campaign near Basra, a move from Ahwas, where Iraq's armed forces were dug in. But Iraq's attacks on civilian centers, its rejection of chemical weapons on the battlefield and its air raids on vessels along Kharg Island, Iraq's principal oil export terminal in the Gulf, all have failed to soften Iran's resolute position for ending the war the overthrow of Iraqi President Saddam Hussein.

The renewed conflict closed Iran's throat, the regime. A victory for



Children dead near Khomeini's palace

Iran would intensify its Islamic revolution, threatening the stability of the Persian Gulf sheikdoms and its other neighbors. But victory for Iraq could cause political chaos in Iran, risking the intervention of U.S. and Soviet Union forces. Observed Christine Helms, a research associate at the Washington-based Brookings Institute, "You can't imagine the panic the Gulf states have felt for the past four years."

**Mediation:** The six-nation Gulf Cooperation Council, which links the United Arab Emirates, Kuwait, Qatar, Bahrain, Iraq, Saudi Arabia and Oman, last week made a major attempt to end the bloodshed. It urged Kuwaiti Foreign Minister Sabah al-Ahmed al-Sabah to Minister

and then to Algeria, which supports Iran, to seek support for mediation efforts. But Khomeini, characteristically defiant, ruled out a settlement. Implacably admitting the danger Iraq's war force had caused, Iran's spiritual leader vowed its campaign has light until Saddam Hussein is overthrown. Said the ayatollah in a speech commemorating the Islamic New Year "We did not want war, we do not want it now. But we do not want a peace worse than this war."

Meanwhile, Saddam rented a boat from two key leaders: Egyptian President Hosni Mubarak and Jordan's King Hussein. In Baghdad the three leaders staged a four-hour summit, which saw Egyptian officials called "a good way to demonstrate Arab support for Iraq at this critical time." Observers said that the meeting signaled the emergence of a new and potentially significant tripartite alliance which could serve as a counterweight to Islamic fundamentalism. Iraq and Egypt are believed close to reviving diplomatic relations after a six-year hiatus caused by the signing of the Egyptian-Israeli peace treaty.

**Struggle:** Still, the alliance is unlikely to have a decisive impact as the war itself. Most analysts contend that a powerful settlement to the epic struggle is only possible if Iraq withdraws its demands for Saddam's overthrow. And that seems unlikely so long as Khomeini remains in power. The frail 60-year-old leader has called for the destruction of "Hegh" governments—those that do not bow his interpretation of the Koran, the holy book of Islam. And, having made the export of the Islamic revolution one of his principal aims, Khomeini cannot repudiate his edicts without undermining his own legitimacy.

Despite that Iran resolve, opposition to the war among influential Iranian clerics is building. Khomeini himself is reportedly ill and a succession struggle may already be under way. If Khomeini dies, parliamentary leader Mohammad Khatami, a hard-liner close to him, could assume control. Inside Iran he is known as "the shark," both because of his ruthlessness and because he does not wear a beard—a rarity among the leadership. His chief rival, President Ali Khamenei, an avowed doctrinaire extremist, crippled during a 1981 bomb attack. Both men have vowed that they want to end the war, but both know that a settlement could reflect situation on the regime's poor survival. If the war is ended, the terrible scourge of the Gulf War is that for both Iran and Iraq—and for their neighbors and arms suppliers—continuation of the battle may be preferable to making peace.

With Paul Grist in Cairo, Gerald Jerome in Toronto, William Lonsdale in Washington and David North in Berkeley.



COVER

# The New Islamic Whirlwind

By Ken MacQueen

**T**he many anxious Westerners, the Tehran Hilton hotel was a seething cauldron in the tumultuous time before the 1979 revolution that toppled Shah Mohammed Reza Pahlavi of Iran. There was Melek in the elevators, sliced behind the bar and oil and technology traded across the tables. Each year a shimmering beauty was crowned Miss Iran in its pink-walled ballroom. Such debauchery broke the West's "satellite" culture, have long been effused from the renamed Freedom Hotel. Now, as Iran enters its seventh year under the iron rule of Ayatollah Ruhollah Khomeini, the ballroom is sometimes used for a deadly seminar: the export of the Islamic revolution.

**Troumaker:** Since March, 1982, the ballroom has been the site of strategy sessions of radical Shiite Muslims representing an estimated 40 countries. With the blessing and support of Khomeini, the self-declared supreme interpreter of the will of Allah, Islam's cause for God, they are seeking to spread Iran's totalitarian vision of the faith throughout the

surrounding Muslim world. Khomeini's influence, while pervasive, is only one facet of the remarkable resurgence of Islam and the growing militancy of the world's estimated 800 million Muslims. The resurgence is experienced, like the tremors that precede an earthquake, across the Middle East and parts of Africa. Equally significant are the restless stirrings of the Muslim populations in Indonesia, Malaysia, Bangladesh, India and Pakistan—and in Afghanistan, where disparate Muslim groups are locked in a bitter guerrilla war against Soviet invaders. From traditional monarchies like Saudi Arabia to orthodox Marxist regimes like Libya, the good and the bad in Western civilization are being weighed, either to be cast aside or reconciled with Shari'a, the strict Islamic law that governs politics, the courts—in fact, all aspects of society.

Along the Tigris River last week, Iranian revolutionary guards lost a decisive battle in their quest to oust Iraqi President Saddam Hussein, whom Khomeini has labeled "an infidel" (page 30). In South Lebanon, pro-Iranian Shiites campaigned to drive out occupying Israeli forces, prompting speculation

that it might become the next Islamic republic (page 26). In Cairo, the Egyptian parliament prepared to debate constitutional changes that would bring the nation closer to the Islamic mode—a move already implemented by Lebanese President Hafeez Wazzani under pressure from the militant Muslim Brotherhood. Says Christian Holes, an Iranian specialist at the Brookings Institution in Washington: "We can virtually take any country in the Middle East today and find that its problems have been given stimulus from the Iranian Revolution."

**Martyr:** That is readily apparent in Lebanon, where radical Shiites supported by Iran's Khomeini have delivered a stunning blow to Israel's national psyche. Less than three years after Israeli-invented neighboring Lebanon to rout Palestinian forces, suicide attacks by the oppressed Shiites of Lebanon have forced Jews to consider a staged withdrawal that many analysts consider an accidental retreat. The Shiites have many weapons, but the most potent, unarguably, are human bombs—devotees like Hassan Nasrallah, a 19-year-old electrical engineering student and new a

murder to his 1,500 fellow residents of Beirut Sabahi, a village near Tyre. On Feb. 4, after receiving permission from a local Shiite sheik, he drove a car packed with explosives into an Israeli camp, killing himself and 34 soldiers. Nasrallah acted after an Israeli raid on his school, during which the soldiers allegedly cursed the Koran, Islam's sacred Book of God.

**Mythical:** The random Shiite raids have demoralized Israelis and stirred the reputation of their army. But Defense Minister Yitzhak Rabin "Israel has never encountered an enemy like this. Their fanaticism knows no bounds." Moreover, Israel's "iron fist" policy of brutal retaliation has only aggravated the situation. Writing in the *Jewishness Post*, Moshe Shalom, a professor of Islamic history at Jerusalem's Hebrew University, noted, "Israel found itself as a victim circle and in the process became identified with the long line of Shiites opening fire where war is warring less than a mystical religious duty." Adds James Bill, a specialist in Middle Eastern affairs at the University of Texas: "It is not wise policy for any country to stand in the path of a movement with such populist roots. We think of them as terrorists and as anti-American, but we don't have a grip on what is going on."

But Israel's experience in Lebanon demonstrates how few lessons have been learned about Shiite extremism since Iranian Shiites stormed the U.S.

Embassy in 1979, forcing Americans and Shiites to endure a 44-day siege in Jerusalem. Since then, radical Shiites, some with suspected ties to Iran, others clearly independent, have rained up a mounting death toll throughout the Middle East in a string of bombings, ambushes and assassinations ("Assassins" is an Arabic word first used to describe members of a secret Muslim society that murdered crusading European Crusaders in medieval times). In October, 1982, four Muslim fanatics, reportedly members of the Islamic Jihad (holy war), assassinated Egyptian President Anwar Sadat.

In Lebanon, hundreds lost their lives in a 1982 car bomb attack on the U.S. Embassy and later that year in simultaneous car-bomb attacks on the U.S. and French military contingents in the country. Similar Shiites Jihad attacks in the Persian Gulf state of Kuwait hit six targets on the same day—Dec. 12, 1982—including the U.S. and French embassies. Last Sept. 26 an earlier suicide truck bomb destroyed part of the U.S. Embassy annex in East Beirut, killing 16 and injuring dozens.

The U.S. state department is now embarking on an estimated \$3.5-billion

program to fortify and exit rebuild 100 of its overseas assets. About two-thirds of the funds will go to fortify buildings in Middle East countries. In Washington, the White House, Congress, the state department and several other government buildings have installed concrete barriers to deter car bombers and added elaborate internal security devices. Notes Rabi Waziri, a veteran Middle East journalist currently finishing a book on terrorism and the Islamic revolution: "The U.S., Germany's Bundes-Moschee guest and Italy's Red Brigades have never lost that kind of effect."

**Fervent:** Clearly, their willingness, even enthusiasm to die for a cause—and secure a place in heaven—has made Iranian and other extremist Shiites groups formidable opponents. "For you in the West, suicide means an act of despair, of defeat," Dawud Chamak, a Lebanese Shiite resistance leader, told *Muslims*. "The we are fighting a battle for our land and for us it is the ultimate act of sacrifice and hope." To another Western reporter, Ali Jaber, a doctor from a Lebanese village outside of Tyre, offered a similar explanation. "You do not know

Shiite-clad suicide bomber in Beirut (opposite left); Iranian women's rally; weapons class in Tehran; renascence of Islam

Shahin Shahr



Shahin Shahr



when you are going to die, maybe in an hour, a day, a month, a few years. But in knowing the exact moment of your death is a marvelous thing," Jaber explained.

Martyrdom is rooted deeply in Islam. It is a religious duty. According to Islam, Allah knows not only the year but the future. Hence, the fate of a man's death is predetermined and nothing can be done to advance or delay it. The Islamic scholars who crossed the Tigris last week in the face of superior Iraqi firepower—like the Shiite bombers elsewhere—represent the ultimate expression of this fatalism. The veneration of martyrs and the endless fight to wrest land and control from a downstream or threatening culture are constants stretching back almost to the seventh-century genesis of Islam, the progeny of the universal religion.

Help Jaber as much of the impetus for the current Islamic revival results from a rejection of the materialism of Western culture, Islam began as a new interpretation of the monotheistic message first carried by such Jewish prophets as Abraham, Moses, Jesus and his disciples. Islam was revealed first to Muhammad, a restless nomad who lived in what is now Saudi Arabia from about 570 to 632 A.D. Through his prophet, Allah offered an all-encompassing blueprint governing every facet of life, from hygiene to marriage, from war to contracts, from ethics to the treatment of animals. His doctrines are the five pillars of Islam, starting with the fundamental creed: "There is no god but Allah and Muhammad is His prophet." In addition, there is a ritual of prayer five times daily, fasting during the daylight hours in the month of Ramadan, the donation of a portion of income and a required pilgrimage—the *hajj*—to holy Mecca in Saudi Arabia at least once in a lifetime.

Allah's directives extend even to banking: usury is condemned, although interest can be charged if used for the common good. From the desert, Islam spread through Damascus and Baghdad to North Africa and into Spain in the west, Turkey to the north and India to the east. Later, Arab traders carried their faith to Malaysia, Indonesia, Singapore and the Philippines, where years of isolation from the Middle East have given the faith an indigenous flavor.

Through the centuries various distinct—Christian, Jewish, Muslim, Hindu, Buddhist, Zoroastrian—breakthroughs from the majority Sunni (orthodox) Muslims. But the historic schism that gave rise to the Shiites occurred in the turmoil after the death of Muhammad. The Shiites claim that the caliphate, the office of ruler of Iran, a majority in Iraq and the largest single religious group in Lebanon—

as—before that Muhammad nominated his nephew and son-in-law, Ali, as his successor. The Shiites—almost 10 percent of Muslims—believe devotions are made by consensus, without the guidance on earth of a semi-divine line of leaders. Both Ali and his son Husain died violent deaths in what is now Iraq. Remembering their deaths, many Muslim and Karbala respectively, remain one

their fate against their forebears until blood flows down their faces. "That," said a senior government official, "isn't it all."

For many Westerners, Islam presents a vaguely threatening image, originating with the Christian Crusades of the 11th, 12th and 13th centuries and the struggle to free the Christian Holy Land from Muslim hands. Now, Islam is linked in the West to the 1970 oil embargo by the Islamic majority of the Organization of Petroleum Exporting Countries and in the graphic pictures of the bloodied bodies of thousands of Iranian martyrs slaughtered last week in their ill-fated attempt to storm Iraq through the border marshlands.

**Beauty.** The rare visits of Western journalists to Iran recently yield a portrait of a nation obsessed with martyrdom. Walls are colored to look like blood, speckles in an open wound from a fountain at the Behabad-Zahra cemetery south of Tehran. It is a celebration of those sacred lives—almost an entire generation of Iranian youth—lost in the war with Iraq. Across the street from the fountain is the Embassy on Tehran, the three-story Targhan Centre (once elite outside squads whose education includes wiring deadly explosives and writing them in secret codes). "In one week I can assemble 500 faithful ready to throw themselves into three operations," said this Moroccan, a leader at the centre.

The Islamic penal code, with such punishments as the amputation of a hand for theft or the stoning of adulterers, is rapidly reforming. Women are required to wear either a headscarf, a black robe covering body and face, or shapelon pants and tunic with a headscarf, called the *hijab*. The universities, once closed for Islamization, are reopening. But, as Ahmad Madani, the Shiites' spiritual leader for two months after the revolution and now in exile in Paris, "they're reconstructing a kind of neoconservative Middle Eastern of political Islam."

The 60-year-old Khomeini's version of Islam has dislodged the secularism that supported the over-

throw of the shah from the Pahlavi Throne in 1979. Indeed, Khomeini "I think the religious fascism, which is spreading in Iran is worse than any other form of regime." In another corner of Paris, in a large, shabby Victorian house presented around the clock by elite French security forces, former Iranian President Abolmohsen Bani-Hadr claimed there is mounting resistance to Khomeini's costly preoccupation with the Iraq war. Troops are being recruited from the villages (the law specifies no military to fight, he told Madani).

There is little agreement on whether

Khomeini's influence is the radicalism of the Shiites in Lebanon, the parliamentary hyperbole in Jordan or where three of the eight people elected were extreme Islamic conservatives, the troubles in the Kuwaiti Parliament, the attempted coup in Bahrain in 1981—and even in the assassination of Shadrach Khomeini, his brother-in-law, by the young and the uneducated because he offers them a way toward power sharing in government."

But there have been no spectacular conversions, and American historian Daniel Pipes, for one, doubts that any country is not accepting Iran's ide-

ology by embracing events with heavy religious symbolism. "Other analysts claim, however, that most Shiites leaders realize that an attempt to impose an Islamic government in Lebanon on the powerful Maronite Christian and Sunni Muslim communities would be impossible."

**Success.** How, if Iran's quest for converts to Khomeinism is stalled, the Islamic movement is not, indeed, with the still double population of 50 million Muslims in Soviet Central Asia, many analysts contend that the movement has only begun to tap. The average potential Soviet Jewish émigré, an expert on Islamic affairs with the Washington



Penetration of blood monument in Tehran threatening



Khomeinism, the harsh and brutal rule to Khomeini's law, will survive the frailty of the shah, whose blood, while noble, is plagued by chronic heart and bowel conditions. "Fundamentalism is Iran may be on the decline," and Shadrach Khomeini, an Iranian specialist with the Georgetown Center for Strategic and International Studies in Washington. "I believe that the chances for significant change are very significant once Khomeini dies." Agreed Helms, the Brookings scholar. "There is a would-be government in every street corner in Iran."

**Radicalization.** Khomeini's message, an exporter of ideas is hard to measure, but hundreds of Islamic agents have been dispatched abroad, meeting and for the needs of non-Muslim Khomeini has been ruled that hereditary governments—monarchies, shahdoms, sultanates—are illegal and that their overthrow must be encouraged. That defiance would mark targets of eight of the 32 states in the Arab League. Already, noted Helms, "you can see

logical progress. "When all this ends, you try to turn," and Pipes, author of *The Path of God: Islam and Political Power*. "I read that as an admission of how badly Iran's campaign has failed."

Still, Western analysts say that Khomeini's influence remains strong. Even on the Indian subcontinent, powers of Khomeini have been turning up in peasant villages. Indeed, several experts cite parallels between Lebanon and Iran in the late 1970s. Certainly, the influence of Iran and the United States, around enemies of Khomeini's Islam, make Lebanon an ideal target in Iranian eyes. And, said William Bennett, an anthropologist at Brown University in Providence, R.I., the nations that the revolution represents Shiites population have exploded in a recent months could well expand into a revolutionary movement. Shiites believe when Israel leaves Divided Jerusalem, "Islamic revolutionaries are dealing with the Muslim population of the world, such as a quarter of the 32 states in the Arab League."

**Shared Heritage.** Palestinian. "We have seen Islamic fundamentalism attack Western embassies. But it is the long run, Moscow has more to fear. They are currently fighting Muslims in Afghanistan and know only too well the high cost." But even now, many experts regard the rise of Islam as one of the greatest events of the modern age. "If you consider the Russian Revolution a rupture from the past century," says a sophisticated Western expert, "then the Islamic revolution is the only genuine revolution of the 20th century."

It success may well depend on whether the world's one billion Christians and 800 million Muslims can overcome centuries of enmity long enough to realize that they are sharing a long and the same road—a place for both the Bible and the Koran, peace flows with will and honor.

With David Bernstein in Jerusalem, David Bernstein in Tehran, William Lashley in Washington, Ann Mathew in London, Ann Mathew in Moscow, David Bernstein in Moscow, and Anne Tiedeman in Paris.

# Where do we go from here? Gulf Canada proposes an agenda for action: five ways to begin strengthening our economy.

Mike Beegzadi  
Vice-President, Planning and Development,  
Gulf Canada Limited

Last fall, Finance Minister Wilson put forward an agenda for economic renewal. A New Direction for Canada proposed solutions to our country's economic problems and invited comments. The oil and gas industry was identified as "a potential engine of growth."

In our response to *New Direction*, Gulf Canada agrees with this assessment of our industry's role in the economy and has identified five policy priorities on the basis of their contribution to removing obstacles to growth, building on growth opportunities and achieving national consensus. The five are: fiscal control; government regulation; trade expansion; consensus building; and energy.

We can't expect all of the major economic problems to be resolved at once or quickly. But there is a need to establish priorities for action in the short-term in policy areas where there is a high chance of success.



Mike Beegzadi

There is a national consensus that the Canadian economy is under-performing. The Wilson statement clearly identifies the seriousness of many economic problems.

In Gulf Canada's response entitled "Shaping Canada's Future", we offer suggestions on five areas where action could be implemented immediately while addressing the longer-term problems. Here is a summary of our suggestions.

## Fiscal Control

To begin with, there must be a commitment to eliminate the structural part of the federal deficit. While there remains considerable controversy over how much of the deficit has been caused by the poor performance of the economy and how much would remain even if the economy were operating at full potential, Gulf Canada would suggest that an overall reduction of \$15 to \$20 billion is required over a period of five years.

In addressing the debt load, consideration should be given to both reducing the growth rate of govern-

ment expenditures and increasing government revenues.

- On the expenditure side, we would suggest an average growth in government spending of approximately 2.5 per cent a year less than growth in Gross National Product.
- On the revenue side, increased government revenues are necessary to reverse the recent decline in the tax revenue/GNP ratio.

Increased revenues generally imply higher tax rates and/or a wider tax base. The objective here should be growth in total federal revenues at an average annual rate slightly in excess of that for GNP. We suggest one per cent greater.

## Relieve the Burden of Government Regulation

The Economic Council has said "Canada's comprehensive system of direct economic controls has resulted in a substantial waste of economic resources and reduced the degree for dynamism and innovation in several important sectors of the Canadian economy."

## Gulf Canada agrees

Today, the amount of government intervention in the economy is excessive and needs to be reduced.

Reform should start with the process for establishing and maintaining regulations. New regulations should not be implemented unless it can be convincingly demonstrated that benefits outweigh costs. Once implemented, new regulations should be routinely required to justify their continued existence through a review process.

## Trade Expansion

More than three million Canadian jobs depend on exports. Strategies designed to maximize economic revitalization, industrial growth and new job creation must also work to improve our lagging trade performance.

As a small nation in the international marketplace, our national interests are best served by continuing to negotiate a gradual reduction of barriers through the General Agreement on Trade and Tariffs (GATT) in step with other member nations.



Oil development — drilling, transportation, refining — creates many jobs. But that is just the tip of the iceberg. The huge investment in machines, equipment and services that goes with petroleum development stimulates employment across the nation. Gulf Canada alone deals with over 50,000 suppliers large and small and spends over \$3 billion a year to run its business in Canada. Some of those dollars go to CNA G. Unlimited, a stamp-manufacturing company operated by Bell (left) and Noel McElroy.

At the same time we should emphasize improved Canada-US bilateral trade relations within the framework provided by GATT.

An evident desire by government to listen and to respond.

## Energy and Growth

New Direction pointed out that excessive government intervention and regulation have restricted the oil and gas industry from contributing in a significant way to the revitalization of the Canadian economy. A new approach is needed.

The oil and gas industry is considered a major "engine of growth" because of its tendency and potential to reinvest a large share of its cash flow. The resultant demand for capital goods and services has a significant impact on other sectors of the economy across the country.

Here are some of the policy measures we believe should be taken:

**Oil and Gas Pricing:** Canadian oil prices should be determined by world market forces.

Because of longer-term contracts, natural gas prices should be decoupled over a period of two-to-three years.

**Revenue Sharing:** Arrangements for sharing oil and gas revenues among governments and industry should recognize the risk taken by the industry and the size of the industry's investment. One important step would be to change the current

system whereby money that could be going toward finding and developing new petroleum supplies is taxed away before it can be reinvested.

**Canadianization:** Canadianization objectives should be realized through positive inducements for Canadians to purchase, and foreign-controlled companies to sell equities in oil and gas companies rather than through discriminatory fiscal treatment of these companies.

**Security of Supply:** The indisputable benefits of Canadian oil and gas resource development must be recognized. A commitment now to oil and gas development will help sustain economic recovery.

**Retrospective Government Participation:** Eliminate the back-provision that allows the federal government to claim, retroactively, 25 per cent of discoveries — including Alberta, discovered before the introduction of the National Energy Program.

These are some of the policy initiatives that we believe would contribute towards a better climate for oil and gas investments, a healthier industry to undertake these investments, improved efficiency in energy resource allocation, faster treatment of participants in oil and gas development and greater participation of Canadians in the oil and gas business without resorting to positive measures.

In this environment, a reinvigorated oil and gas industry would be able to contribute its full potential to expanding the Canadian economy.

For a copy of our response to New Direction please complete the coupon below.

<input type="checkbox"/> Bill Power <input type="checkbox"/> Director - Public Affairs Dept. 1034 Gulf Canada Limited 215 Adelaide St. W. Toronto, Ontario M5H 1B1		
Please send a copy of <i>Shaping Canada's Future</i> :		
Name _____	Address _____	
City _____	Province _____	
Postal Code _____		

GULF CANADA LIMITED



Christian soldiers in East Beirut: another step closer to a final partition

#### COVER

## Lebanon's days of terror

**B**old and grungy, Saad Hagez projects an image neither of political shrewdness nor of military muscle. But the 32-year-old Lebanese medical student turned military officer is spearheading a rebellion that threatens to topple his Christian Maronite Ministry, President Amine Gemayel. And Hagez's revolt was only one step in the national fabric of Lebanon, which last week seemed to be steadily—and relentlessly—unravelling.

In West Beirut, militant Shi'ite Muslims operating under the banner of Islamic Jihad (only wary kidnappers) threw French nationals, including the French vice-consul, and warned all foreigners to leave Lebanon. In the capital's eastern Christian sector, Gemayel's militia—the Lebanese Forces—declared its independence from Gemayel's Phalange party, its political wing and cautioned the president against submitting to a rumored Syria-Lebanese federation that would dilute traditional Maronite powers. North of the city, Syrian tanks snarled Israeli military movements in a show of support for Gemayel, while in the suburbs east of the port city of Sidon Christian and Shi'ite militias exchanged fire, killing 10 and forcing some 20,000 Muslims to flee. South of Beirut, the Israeli Defense Forces conducted a

major sweep through largely Shi'ite villages, killing 33 people, including two technicians employed by the American oil company Amoco.

**Lebanon:** But of all the forces tearing at the complex Lebanese mosaic, Gemayel's challenge to Gemayel seemed the most ominous. The revolt began when the 65-year-old president ordered the Lebanese Forces to abandon a checkpoint and toll booth at Barham, on the coastal road north of Beirut. Gemayel refused, and was expelled from the Phalange. In response, the Christian militia leader seized control of the 5,000-strong Christian force, leaving Gemayel

without military support—a vital prerequisite for political power in Lebanon. In a special radio broadcast, Prime Minister Rashid Karami said the Christian militia could "exterminate Lebanon and terminate its existence." And leaders representing the three principal Muslim sects—Sunni Maronites, Druse Progressive Socialists and the Shi'ite Amal—insisted that they would not allow "these dreaming of reviving their hegemony to do so."

**Destiny:** But Gemayel's break was only part of a new pincer strategy aimed at preventing Christian power from the crumbing embrace of Syria's Muslim provinces. In effect, the militia president Gemayel with two equally unconstructive options. He could surrender to the militia's demands and permit Syrian attempts to enhance Sunni, Druse and Shi'ite powers at Maronite expense—a display of uncharacteristic firmness that would likely lead to his early removal from office. On the other hand, he could attempt to rally popular political support, splitting the Christian community and leading, most observers believe, to the creation of a separate Christian caucus and the partition of Lebanon. Predicted Gemayel loyalist Paul Abu Nader: "In the long run, I think we are going together in this direction." With Israeli forces accelerating their withdrawal from the north and an estimated 30,000 Syrian troops still occupying north and eastern Lebanon, Syrian President Hafez al-Assad remains the unopposed arbiter of Lebanon's destiny. His forces could easily crush the Christian rebellion, but most analysts contend that it would be counterproductive, stiffening Maronite resistance and weakening Assad's attempt to rebuild Lebanon's historic power-sharing arrangement.

**Parity:** That unwritten 1943 agreement, known as the National Pact, awarded key government posts to Maronites and Sunnis—the dominant political and commercial sects. The minority Druse saw a few army positions, but the vast majority of Lebanon's 1.5 million impoverished and undereducated Shi'ites, who give largely ceremonial powers. This night, together with a decade of subjugation by the ruo and later by the Israeli army, have made resentful Shi'is reminiscent of a ferocious ground force for Islamic fundamentalism. But the Shi'ites themselves are now divided between the Amal mainstream and a more radical, Iranian-sponsored splinter group known as Hezbollah (Party of God). Hezbollah's headquarters at Beirut's airport—their camp—has been Gemayel's revolt—some 30-40 to prolong Lebanon's decade-old civil war and speed its final dismemberment.

**Shi'ite Politics:** With Daud Bazzar in Jerusalem and Jim Akar in Moscow,

## Israel's painful self-assessment

Israel's Pinchas Shamir, deputy prime minister and foreign minister in the outgoing government of Shimon Peres, ended a two-day official visit to Canada last week. As he prepared to depart, Shamir discussed the current situation in the Middle East with Canadian's Foreign Minister Michael Pooner.

**Maclean's:** Some reports suggest that Lebanon is in danger of becoming the next Lebanese republic. Do you agree?

**Shamir:** I think the danger of Lebanon becoming a part of Syria. That is a more real danger. And we would not like to have such a Lebanon as our neighbor. We would like an independent Lebanon keeping its own interests and having peaceful coexistence with Israel.

**Maclean's:** But you already have a Syrian-controlled Lebanon, don't you?

**Shamir:** Yes, but there is a difference between a control which is amenable to some confrontations and full annexation.

**Maclean's:** There was hope when Israel invaded Lebanon in 1982 that you could create conditions leading to a pro-Western Lebanon. What went wrong?

**Shamir:** We knew, by our entering Lebanon an opportunity was given to the Lebanese people to become an independent country. Since Lebanon promotes the idea of government to interfere in internal Lebanese problems and to decide who will constitute the government. But Israel, as a democratic country, is not built for imposing our political interests on a foreign country. Of course, for the Syrians it's normal. All their power is in the hands of a small group and they can do it—and they did it.

**Maclean's:** But the Syrian leadership is also similar, controlled by the minority Alawites. Isn't it in President Hafez al-Assad's interest to try to control the Shi'ite revolution in Lebanon, to prevent spillover into Syria itself?

**Shamir:** The Syrian way was always to set by proxies. And there are some indications that they will use the Shi'ites against the Christian Lebanese forces. But for Syria the character of Lebanon is not important until they decide to annex it.

**Maclean's:** What went wrong for Israel? Did Israel miscalculate the strength of the Lebanese resistance?

**Shamir:** We have tried to find political solutions and our withdrawal from Lebanon and to guarantee security arrangements after our withdrawal. We tried to cooperate with the Lebanese government, with the participation and support of our friends abroad. It didn't work

because of Syrian pressure. Then we tried a partial withdrawal and another series of negotiations under the auspices of the UN, but that didn't succeed—again under Syrian pressure. And now we are in the process of withdrawal without a political solution. Of course it complicates the situation because we do not yet have a clear solution for the problem of security in our north.



Shamir 'repairs' does not constitute a clear solution

**Maclean's:** Indeed, the South Lebanese Army, the militia Israel was counting on to police the area, is disintegrating.

**Shamir:** We will have to see what to do when we reach the international border. Our army will have to find a solution as to how to prevent at any price terrorist attacks against the population of the Galilee.

**Maclean's:** But once you're out of Lebanon, Israeli reprisal raids are likely to affect Lebanese civilians and create the world's next refugee crisis.

**Shamir:** Reprisals are not helpful. They do not constitute a clear and neat solution. It will be necessary to find another solution and we will find it. Of course, we are concerned about international competition, but it is on both sides

our defense, we prefer always the needs of the defense. We must create a situation in which the population of South Lebanon understands that life for them will become impossible if their place serves as a safe base for terrorist set against the Israeli population. It is unacceptable that one side of the border will be quiet and the other not.

**Maclean's:** Egyptian President Hosni Mubarak's initiative

—what is your assessment of that?

**Shamir:** I must say, I don't know what his intentions are. What I know is that if he really wants to advance the prospects of peace, he must first improve relations between Egypt and Israel, because the relationship in the current state for the entire peace process in the Middle East. If this peace is successful, there will be progress on other borders.

**Maclean's:** Why has his plan emerged now?

**Shamir:** Well, I don't know exactly the reasons. President Mubarak has his own reasons. But I would like to make the best of it for improving the prospects for peace. And there are two ways to do it—to improve relations between Egypt and Israel and to convince Mubarak the King of Jordan, to negotiate.

**Maclean's:** You want him to commit political suicide?

**Shamir:** Why suicide? If somebody wants to have peace, he has to have the courage to make the appropriate decisions and to come in the table for negotiations. Otherwise, we are an ancient people. We have patience. We will wait for them. I read somewhere that King Hassan said this now is a decisive chance, the last chance. If he is no longer to make some progress, let him come and talk with us.

**Maclean's:** The Gulf War—is it a long-term threat to Western interests?

**Shamir:** It is a threat to world peace. It is taking very serious shape of from a human point of view, we have already hundreds of thousands of victims. It's terrible and it's stupid because nobody understands the reasons for this war, but I don't see a sorry end to it.

The Lebanese mosaic	
Muslims	
Shi'ite	1,300,000
Sunni	750,000
Druse	260,000
	2,300,000
Christians	
Maronites	900,000
Greek Orthodox	250,000
Greek Catholic	200,000
Armenians	200,000
	1,550,000

# Enlarging the nuclear arsenal

As the U.S. Senate prepared last week for a crucial vote on the MX intercontinental missile, observers predicted a close decision. Many Democrats and some Republicans had threatened to vote against releasing \$1.5 billion for 32 new missiles. And, in case of a tie, Vice-President George Bush, who also serves as the Senate's president, stood ready to cast his deciding vote in favor of the administration-backed res-

olution to \$5. Said Democratic Senator Paul Simon, an ex-agonist: "No one likes to say no to a president."

The Senate vote—repeated the next day on a second six financing resolution—brought a swift condemnation from Moscow. But Reagan hailed it as "a message of American resolve to the world," and observers said that he had scored a major political victory. Indeed, combined with the March 20 decision by the Belgian parliament to allow the sta-

The new funding will take the Pentagon a step closer to deploying a total of 506 of the highly accurate missiles—each capable of firing 10 separate nuclear warheads against different targets—in underground silos. Next year the administration is expected to ask Congress for an additional \$4 billion to build 16 more of the weapons.

However, many congressmen still contend that the 96-ton MX (for missile experimental) is ineffective—mainly because of the silos' vulnerability to enemy missiles. Democratic Senator Allan Cranston, for one, called it "an unnecessary piece of gold-plated military junk." Other congressmen are skeptical about the administration's claim that it needs the MX—what Reagan calls the "penetrator"—to get an arms control agreement with the Soviets. "Last year we were told that we had to build MX because the Russians had broken off talks," said Rep. Joseph Ardis (D-N.Y.), chairman of the House defense appropriations subcommittee. "Now we are told we have to build it because the Russians have returned to Geneva."

Meanwhile, U.S. negotiators in Geneva this week began separate discussions with their Soviet counterparts on medium-range, long-range and space-based weapons. And U.S. research into the Star Wars defense, fiercely opposed by Moscow, is likely to be the most contentious issue. But Washington is also expected to complete about Soviet plans to deploy its own mobile version of the MX, the 16-warhead SS-20.

Western observers predict that the talks will progress slowly, and many analysts add that only a summer between Reagan and the Soviet Union's new leader, Mikhail Gorbachev, will produce a breakthrough. They contend that neither committee has a broad enough mandate to allow sufficient flexibility for innovative bargaining. As a point of contrast last week Reagan said it was "high time" for such a meeting and he invited Gorbachev to Washington. Moscow has not formally responded, but analysts noted that the ruling Politburo, holding its first regular meeting this week, may have taken power on March 11—following the death of Konstantin Chernenko—called for a return to debate with the West "in the spirit of peaceful coexistence."

—MARTIN GEE, with Keith Charles in Moscow



MX missile test: Belgian Prime Minister Wilfried Martens: a message of resolve

clusion. But the experts underestimated the persuasive powers of the weapon's chief booster, President Ronald Reagan. In a lobbying effort that included telephone calls from Air Force One as Reagan flew home from Quebec City and in a luncheon speech on Capitol Hill just hours before the vote, the President told warring senators that a defeat for the MX would demonstrate American weakness to the Soviet Union and undermine U.S. negotiators at arms control talks in Geneva. There the MX resolution passed the Senate by a comfortable margin of

106 to 16. U.S. cruise missiles in the north country and public support by Canada and West Germany for Pentagon research took Reagan's so-called Star Wars space defense system, the Senate's decision bolstered Reagan's strategy of negotiating from strength in Geneva.

The MX faced two more votes this week in the Democratic-dominated House of Representatives, which was expected to follow the Senate's lead and end a freeze on MX development that followed a protracted congressional battle last year



Guerrillas being carried from El Pto. de la Libertad: the guerrillas opt for a new strategy

EL SALVADOR

## Taking the war to the cities

At the summit of El Pto. de la Libertad, an extinct volcano 10 km from the center of San Salvador, stands a major communications complex. Guarding the facility is a considerable force of El Salvadoran military's main planner assignments. Indeed, on March 16, Gen. Alberto Mejia Cruz showed 14 of the 52 national guerrillas under his command the night off. It was a mistake: shortly after midnight, an estimated 400 left-wing guerrillas scaled El Pto. de la Libertad and opened fire with 60-mm mortars and 80-mm recoilless rifles. When the two-hour battle ended, seven guerrillas—and one attacker—were dead.

The raid, the largest guerrilla operation so close to the capital in more than two years, opened a new phase in the nation's five-year civil war. Under heavy pressure from the Salvadoran army in rural areas, guerrillas of the Farabundo Martí National Liberation Front have changed tactics and attacking the war back to El Salvador's cities and towns.

In the past two weeks there have been roughly 11 attacks on urban centers, most of them in the southwestern province of Usulután, where several towns have been destroyed. News, intelligence reports claim that 500 guerrillas have moved into the capital, 30 times the number estimated six months ago. As a result, U.S. military advisers have begun training army units in counter-urban techniques.

The guerrilla objective is to rebuild

support among labor, student and peasant organizations, which in 1980 almost paralyzed the leftists into power. Then, a brutal government crackdown drove the guerrillas into the countryside. The rebel task has been made easier by the relaxation of repression. President Jose Napoleon Duarte "has permitted a relaxation of political control," said one trade unionist, "and we are taking advantage." For his part, Duarte claims that the violence is aimed at disrupting a March 16 national election for a new 68-member legislative assembly set in 1982.

Duarte faced further embarrassment last week when a former Salvadoran intelligence chief, Col. Roberto Santivanez, alleged that the present defense minister, Gen. Carlos Aguayo Vides-Castano, was implicated in the murder five years ago last March 26 of Archbishop Oscar Arnaldo Romero.

Santivanez claimed that Vides-Castano was a member of a national security committee set up in co-ordination with the activities of right-wing death squads. The Roman killing, he charged, was directed by Maj. Roberto d'Aubusson, who was against Duarte for the presidency last year, and carried out by former members of the Nicaraguan anti-air guard and serving members of the Salvadoran national guard. Duarte promised last June to punish those responsible for maintaining Romero. However, a presidential commission has yet to begin hearing evidence.

—PAUL KILIAN in San Salvador

SOUTH AFRICA

## Massacre on a memorial day

The timing of one of the bloodiest armed incidents in South Africa's long history of racial strife could not have been worse. Last week, as the country remembered the massacre of 69 blacks in Sharpeville nearly 25 years before, police in the southern coastal city of Durban opened fire on 5,000 black marchers heading for a memorial service, killing 13 of them. The incident infuriated black leaders, shocked the international community and dealt a severe blow to the credibility of Prime Minister P. W. Botha's white minority government.

The two sides gave dramatically different accounts of the shootings, which raised the death toll to 13 months of violence in more than 248 in Pretoria, Law and Order Minister Louis Lötters said. The 13-man police squad had acted in "self-defense" to repel a mob carrying stones and firearms. But eyewitnesses disputed that explanation, claiming that the police started shooting without provocation, mowing the street with machine guns and attacking the side fire. "People were falling and making to get away," said one witness. "I saw a big number of people lying down, moaning and writhing in agony."

During a backlash, heavily armed police patrolled Durban's black townships and set up roadblocks to search residents for weapons. With most blacks staying away from work and business shops, the city remained tense. In other parts of South Africa, the Urban Affairs Office advised a farce in Johannesburg. Nobel Prize-winning lawyer Desmond Tutu said he was "deeply, deeply distressed" by the incident, and the Catholic Bishops' Conference termed it "little short of a massacre." Responding to the criticism, Pretoria announced it would set up a judicial inquiry.

Governments around the world joined in condemning the shootings. U.S. Secretary of State George Shultz called them "a deplorable tactic," and Ronald Reagan's White House said they demonstrated that the "agitation of apartheid can only engender further violence." Other critics charged that the incident called into question the seriousness of Pretoria's highly publicized program of internal reforms and exposed the weakness of the so-called anti-apartheid system. Concluded New Zealand Prime Minister David Lange: "Apartheid speak louder than words." But a determined Botha declared, "We are going to keep order, and nobody in the world is going to stop us." —MARTIN GEE

The Canadian film industry proved that show business is not all glamour—and that even the famous get the gritters—during the three-day Genie Awards celebrations in Toronto last week. Writer-director **Dennis Pate**, whose movie *The Bay Boy* was nominated for 11 Genies and won six, said that he had worried about “losing and making a clean sweep the wrong way.” Actress **Lisa Langeble** said that she rehearsed alone for her job as co-president of the best supporting actress Genie (which went to **Linda Savarese** for her part in *Dance*) and that eight hours before showtime she still did not know who her partner would be. “They tried to get **Wayne Gretzky**,” she said, “but you have to book him three months in advance.” Actor **Chuck Shumate** filed in for the Great One. *Spidey, N.S.*, actress **Jane McKinnon** said that she had suffered because of divided loyalties, nominated for best supporting actress for her role in *The Day After*, she explained that her idol was **Jackie Burroughs**, nominated in the same category for her part in *The Survivors* (both lost to Savarese). Backstage at the awards, interviewed by the CBC and professed by the Academy of Canadian Cinema & Television, one of the organizers for the academy, described the highlight of her evening: “My dress broke and I had to tie up the straps because I’m not wearing a bra.” Best actor **Louise Marano** (*Le Fils de l’homme*) nervously clutched her Genie as she posed for photographers and said “Please, somebody should talk to me.” Best actor **Gabriel Arcand** (*Le Crime d’Ovide Plouffe*) declared that he was “happy” and best director **Micheline Lanctôt** (*Spécialité*) said she could not get “serious” about the awards. *Bay Boy* nominee **Kiefer Sutherland** said that he did not want to go, and when his mother, **Sherry Swaine**, told him, “You had better come now or we will not get a table,” she was right. At the post-awards dinner, 1,300 winners, losers and spectators crowded up at the bars and buffets. And CBC-TV director **Bob Gilbreath**, who controlled the on-air activities from a cramped truck stationed in the undisturbed parking lot, had at the last word: “Thank God that’s over.”



Savarese, a best supporting actress award, shared loyalties and a flawed dress

business repertition. “I like to be working on my birthday,” says **Tushingham**, whose first taste of *Woody* took place on her 19th birthday. Based in Toronto for the past four years, Tushingham celebrated her 43rd birthday on March 14 in a location in Kilmory, Ont., for *A Judge-ment in Stone*, her first movie under the direction of her 45-year-old English-born husband, **Quentin Paul Ravi** bought the film rights to *Judgement*, a mystery novel written by **Mark Twain**, in 1971 when he was a director of photography on feature films and before making a career change to directing.

Said Tushingham: “On the set we are very professional. I never think of him as my husband and I don’t think he thinks of me as his wife.”

—KAREN BY ERIC LEBENOWITZ

#### Michener's normal age



Said Tushingham: “On the set we are very professional. I never think of him as my husband and I don’t think he thinks of me as his wife.”

One of the fittest of all Canadian governors general, **Sam Michener** jugged his way through more of his celebrated roles as **Queen Elizabeth II**’s representative, and now, three weeks short of his 84th birthday on April 25, he intends to play tennis in the first international Masters Games in Toronto in August. Michener will partner **John Banks**, a former professional tennis player who is only 72, in the men’s doubles. Said Michener: “I will have to play with the net. It’s because there is no one else in my category.” Michener will prob-

#### Tushingham show business repertition



ably celebrate his birthday on April 26 at a fund-raising party for the Masters, an 18-day event for athletes who have passed the normal age of competition. A Conservative who was an Ontario MPP, an MP, Speaker of the House of Commons and high commissioner to India before serving as Governor General from 1982 to 1985, Michener says that he has spent a great deal of his life encouraging people to be active. As this year’s honorary master of the Masters, Michener added, “I thought it was right to end my life.”

Michener will prob-



## You may want to buy our new Espreme watch for all the wrong reasons.

You may want to buy it because it's probably one of the most beautiful and unusual watches you've ever set eyes on.

You may want to buy it to turn your friends green with envy.

You may even want to buy it as an impressive bribe for somebody.

But the right reason to buy one of our new Espreme watches is because the true beauty of an Espreme watch goes well beyond its pretty face.

At Citizen we firmly believe that no matter how good a watch looks, to be truly worth its money, it should also wear beautifully over time.

In designing the new Espreme Collection, we held strictly to this philosophy, ensuring that every

detail would be as functional as it is fashionable.

That's why every Espreme watch features an integrated casing that curves naturally around the wrist. To make sure it stays there, the handcrafted rose and grey leather strap is fitted with a unique dual safety clasp in place of the standard buckle.

And of course all watches in the Espreme Collection are backed by Citizen's incredible five year warranty.

So you see, the Espreme Collection proves once again that looks aren't everything. Of course, if you still want to buy it just for the way it looks, we aren't about to argue.

Manufacturers suggested retail price \$450 each. Dealer may sell for less.

### CITIZEN

The watch with the five year guarantee.  
Available at fine jewellery stores across Canada.

CITIZEN is a registered trademark of CITIZEN WATCH CO. JAPAN



Mark Galt and Wilson; Hederman (below) emphatically exchange talk of austerity and a search for consensus

## BUSINESS/ECONOMY

# Predicting an uncertain future

By Shona McKay

The setting of the gala dinner was carefully elegant. Overhead, the six large chandeliers that grace the rotunda and gold Confederation Room in Parliament's West Block provided a turn-of-the-century charm that when about 200 economists, labor leaders, business advocates and government bureaucrats sat down at five-round tables for the inaugural dinner of the National Economic Conference last week, the strains that would later appear were already becoming evident. The conference, sponsored by the federal government, was designed to promote research approaches to the major economic issues facing Canada, from unemployment and industrial productivity to trade and the economic status of women and native groups. Declared Prime Minister Brian Mulroney "Canada is the only way to let Canada adapt, compete and prosper."

When the conference ended a myriad of conflicting views had been aired, but there was an understandable lack of agreement on the nation's economic pro-

spects and outlook. The participants shared a common problem with Canada's economists who specialize in the brief-and-brutal art of forecasting. They have never been able to reach a consensus on the near-term and future course of the economy. But there was unusual accord among the participants on the acceptability of altering universal social programs in order to deal with the problems of the truly underemployed.

Opposition politicians denounced the conference, organized for the government by Montreal lawyer Stanley Hart, as a waste of time even before it started. In the Commons, Liberal opposition critic Donald Johnston declared it to be a costly "political exercise" and just "another exercise in public relations." New Democratic leader Ed Broadbent said that the contents of the federal

budget, expected in late May, have already been decided, and he added that Finance Minister Michael Wilson should have told the delegates to "stay at home, you're wasting your breath." But for his part, the finance minister himself declared "The overriding objective is clear that will provide more jobs and economic growth. They may be incorporated in the budget. We are open to suggestions."

In fact, at a press briefing before the conference, Mulroney made clear that the main tenets of his government's first budget were already set. Referring to the \$4.5-billion cut in government expenditures that the Tories announced in their November economic statement, the Prime Minister stated that austerity was still the wage priority in the government's economic plan, insisting that further cuts on government



spending were instead to keep interest rates down, Mulroney added. "We have not completed, not by a long shot, the tightening up that has to take place."

The Prime Minister's comments led to immediate speculation among economists about how the government will meet the deficit. For his part, Michael McCracken, president of Information, an Ottawa-based forecasting firm, said that Wilson may try to induce consumers to spend "by taking away some incentives to save." Among the possible targets the \$1,000 deduction for individuals on new claims on investment earnings and such popular plans as the Registered Home Ownership Savings Plan (RHOSP). McCracken said that those actions would effectively amount to tax increases.

Most economists predict that the Canadian economy will not continue to grow at a moderate pace this year, after rising 4.7 per cent in 1984. But their forecasts for output growth range from 2.5 per cent to 3.5 per cent. Said James Webber, an economist at the Toronto Dominion Bank who predicted growth of 2.8 per cent this year "It is a good picture. It is our third straight year of economic expansion, and the GNP (gross national product) in real terms, it is at an all-time high." Webber's prediction is in line with the federal finance minister's forecast for a 2.75-per-cent rise in the economy.

By contrast, Karl Hederman, chief economist of The Parliament, a Toronto-based financial company, predicted a 3.5-per-cent increase in output in 1985. But he said that he regarded even that performance as unimpressive. Added Hederman: "Certainly the economy is capable of growing faster than that—it is a respectable rate, but not good growth." The only favorable counterpoint of likelihood, says the economist, will be relative stability in the country's current 3.7-per-cent inflation rate.

Economists made different decisions on whether interest rates will rise or fall this year. Forecasts for the prime interest rate, which last week stood at 11.75 per cent, range from 10.5 per cent at year-end to as high as 14 per cent. Said Edward Gurnea, senior policy analyst at the C.D. Howe Institute in Toronto "I would not place any bets on what interest rates will do this year." The experts also differ on the outlook for the already eroded value of the Canadian dollar, which last week stood at 73.77 cents (U.S.). Some predict that the currency will drop to 65 cents by year-end, others predict that it will rise to about 74.5 cents. The lack of consensus is largely a result of uncertainty over the direction of U.S. interest rates and the U.S. dollar's value.

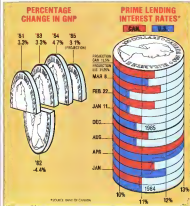
As the economic soothsayers survey

the outlook, they face one major uncertainty: exactly what forces will generate continued economic growth. Last year Canada's recovery was fuelled by exports to the expanding U.S. market—Canada achieved a merchandise trade surplus of \$80.6 billion in 1984. But in 1985 forecasters expect that the U.S. demand for imports will taper off as its recovery slows from the 6.9-per-cent pace set in 1984 to about four per cent (page 30). As a result, Canada will not be able to count on a continued export-led recovery.

Experts say that consumer spending

gains in profits before taxes in 1984. A recent Statistics Canada survey of spending intentions predicted a massive 26.1-per-cent rise in outlays for buildings, machinery and equipment this year by manufacturers. At the same time, however, experts say that increased business investment will not lead to a significant decrease in Canada's 11-per-cent unemployment rate because a simultaneous growth in the labor market will offset any new job creation.

The forecasters' record has been blemished by their overall failure to



in Canada is unlikely to fill the gap. Most of them predict that domestic consumption, which grew by about 3.4 per cent in 1984 as consumers flooded to buy appliances and cars, will fall to a mere modest two per cent this year. According to Dan O'Hagan, senior economist for the Canadian Labor Congress, low real wage gains and confining high unemployment rates will be disincentives to further increases in consumer spending. Said O'Hagan: "From the viewpoint of working people, the recession is not over. Real purchasing power of wages has fallen about 10 per cent since 1980 and is still declining."

Instead, growth may be fuelled by a surge of new government spending in business, which enjoyed a 35-per-cent

predict the strength of the recovery in 1983 and by further cutbacks of interest rates and growth in 1984. Against that background, new approaches to economic problems, adding "The Mulroney government's campaign for more consultation—take on more appeal, even for the experts. As Carl Beigle, chief economist of Dominion Securities Mutual Ltd., a Toronto-based securities firm, put it: "There are a hell of a lot of minds in the world economy, and if we are to have a chance of negotiating them successfully, we'd better do it together."

With Hilary MacKenzie, Amy MacLennan and Terry Horvath in Ottawa and Randy Pitt in Toronto.

# Reagan's gamble on the greenback

By James Fleming

Henry Wallich, 470-year-old-governor of the U.S. Federal Reserve Board, sat prominently at the head of the 30-foot-long advisory table that dominates the Washington-based central bank's boardroom. One of seven governors who plus U.S. monetary policy with board chairman Paul Volcker, Wallich has to choose the most carefully economic strategies are capable of stamping out world stock markets. But between puffs on a stonch pipe, the former Yale economist acknowledged in a recent interview with *Maclean's* that the Fed is largely powerless to deal with the wild card that could jeopardize the future of the U.S. economy: a supercharged dollar that has attracted a flood of investment and cheap foreign imports into the U.S. market and resulted in a record \$181.7-billion trade deficit in 1984. Declared Wallich: "There is a very strict limit to what you can do to prevent further increases or bring about a decrease in the dollar's value."

The movement of the U.S. dollar—and the Fed's interventionist stance—have critical implications both for the U.S. economy and for that of its biggest trading partner, Canada. At a time when the American

is suddenly having to put the brakes on the economy."

Last week the vulnerability of the dollar because close as a crisis erupted over the financial stability of 75 stock-regulated U.S. ratings and loan (S&L) companies (page 41). State authorities were forced to close the state after one temporarily collapsed, leading to a state-wide run on deposits. On world markets, concern about the general

For the Federal Reserve Board, any attempt to bring the dollar's value down would involve inflationary risks. To rein in the dollar, said Wallich, the Fed would have to expand the money supply. That would lower interest rates and reduce the dollar's value—and value that by pumping more cash into the economy, the central bank would also require inflation as workers demand higher wages and companies raise



Loading U.S.-bound goods in Japan, a flood of imports, upward predictions and a high-wire act.

economy is growing strongly—most economists forecast a four-per-cent growth rate this year—the dollar is performing a precarious high-wire act which, in the event of a fall, could throw the U.S. economic outlook into confusion. Supported by an influx of foreign capital, the currency is now 35- to 38-per-cent overvalued, according to conservative department estimates. But a sudden shift in foreign investor psychology could cause the dollar rate to slide, and that, in turn, might rekindle inflation and jeopardize the economic recovery. Last week Volcker, chairman of the Committee for Economic Development, a privately funded research organization in Washington. "A sudden reversal in the exchange rate could lead to a real crisis if the Fed found itself

state of the overall U.S. banking system resulted in heavy inflation by foreign investors, and the dollar dropped against other major currencies.

Then, late in the week, the greenback was a victim of another wave of selling when the commerce department revised a "flash" or initial estimate that the economy grew by an unexpectedly moderate 2.1 per cent in the first quarter. Most economists expect that the quarter's growth rate will be revised upward when the final figures on output are tallied. Still, the dollar's gyrations last week were troubling to some. Warned John Madin, an economist with the Washington-based American Enterprise Institute, a conservative think tank: "The dollar in the bag, loose cannon rolling around on the deck."

prices. Each major-per cent drop in the dollar, said Wallich, adds 67 per cent to the inflation rate. Confessed Wallich: "There is not much you can do about monetary policy without risking all the guns against inflation that we have made."

Most economists predict that the dollar will remain strong in the coming months because of the continued growth of the economy. But as increasingly popular dollar will also worsen the trade deficit as cheap foreign imports continue to flood into the market. Last week the dimensions of that trade shortfall were made dramatically clear when Commerce Secretary Malcolm Baldrige announced that the nation's current account deficit—made up of trade in goods and services—had risen to \$16.7 billion

in 1984, more than double the \$41.6-billion shortfall for 1982. By the end of this year, the commerce department predicts, the trade deficit will grow to about \$14.5 billion. Madin, meanwhile, believes that during the first quarter of 1985, total foreign investment in the United States had probably surpassed the value of U.S. investment abroad. "The making of the United States a debtor nation for the first time since 1917," said Baldrige. "The United States is shifting from a net creditor to a net debtor and it may have moved into the red this quarter."

Many economists agree that when the first quarter's trade figures are released in May, they will confirm Baldrige's prediction. But the experts are divided on whether the nation's net debtor status and its ballooning trade imbalance are cause for alarm. Warned Roger Katsky, chief economist of the Conference Board Inc., a private New York-based research group: "It is not as terrible a position as it seems to be. It does indicate the nation's influence and makes it susceptible to swings in foreign investor psychology." But Robert Ortner, chief economist at the commerce department, said: "I am not overly worried about it. We are getting this financial capital to good use, modernizing plants and equipment and improving our productivity."

Indeed, members of the Reagan administration retain optimism about the economic outlook for the rest of the decade, although other forecasters paint more sobering scenarios. For almost three years Reagan has ignored the warnings of economists that the ramp trade deficit would undermine foreign investors' faith in the U.S. economy and consequently in the U.S. dollar—causing the currency's value to plummet. The economists added that eventually the Federal Reserve Board would hinder economic growth by raising interest rates. So far, that prediction has proven groundless.

Indeed, the economic recovery that began late in 1982 has continued steadily. Indeed, last year the economy surpassed virtually all economists by growing 6.8 per cent. "It is the second strongest expansion we have had since the Second World War," declared Ortner. (Only a growth spurt during the Korean War in the early 1950s was greater.) Added Ortner: "In the past five years since employment is up by six

million." Ortner said that interest rates may rise in 1985, but not to the 13.5 per cent level reached in mid-1982.

Monroe Johnson, assistant secretary for economic policy at the Treasury department, also claims that the recovery is now complete. Said Johnson: "We have now had two full years of expansion with no increase in inflationary

pressure."

For his part, Wallich agreed that a four-per-cent annual growth rate is possible this year and that the increase in output will not be immediately reflected in new inflation. But Wallich added that as the recovery matures, the danger of inflation will resurface. "The danger begins when you get into the area of very high-capacity utilization and the area where employers begin to bid for labor—and labor has the power to compel management to pay high wages."

The Reagan administration's confidence is not shared by other economists who make more sobering predictions. Although they agree that about four-per-cent growth is likely this year, they forecast a slowdown in 1986. Data Resources Inc., an economic consulting firm in Lexington, Mass., as well as two other major U.S. forecasting firms—Wharton Economics in Philadelphia and Chase Econometrics in New York—all predict that the economy will grow by less than 2.5 per cent in 1986. Said Lawrence Chamerine, chief economist at Chase: "We do not think we will have a serious recession, but by no means are we forecasting rampant growth."

As a result, Chamerine and other economists are predicting no drop in the current 7.5-per-cent jobless rate over the next two years. By comparison, the Reagan administration is forecasting a drop in the unemployment rate to seven per cent by the end of 1985.

Katsky claims that the economy will slow sharply late this year, as the current business expansion matures and demand for credit increases. He predicts that the U.S. federal funds rate—equivalent to Canada's bank rate—will rise to between 10 and 12 per cent by the end of 1985. The United States, said the economist, "will be firing with a recession by the beginning of 1986."

All the forecasters admit that their predictions would have to be scrapped if the dollar were to suddenly reverse its course. But they say that is unlikely to occur. Johnson predicted that the dollar's value will not fall this year despite temporary gyrations. But in the long term, as other nations' economic gain strength and attract investment, he added, their currencies will rise. The dollar's value, he said, "will gradually self-correct as the U.S. economy continues to mature and European growth starts to look a little better."

In that event, the U.S. economy would be spared the inflationary shock of a rapid fall in the currency's value. At the same time, the trade deficit would be reduced as U.S. goods become more competitively priced on world markets. For the administration, it is a calculated gamble. But Reagan has gambled with a controversial economic game plan for the past three years—and was handsomely paid.



Wallich, aware of the inflationary risks ahead.

# Seeking an elusive compromise

By James Fleming

David Stockman entered the room dimly, his clipped nose and hard-set look indicating clearly that the Reagan administration's budget chief was in a hurry. Sitting in his shirt-tails for a briefing, the 38-year-old former Harvard theology student, who has served as director of the office of management and budget for the past four years, was obviously tired. But he dismissed rumors that he plans to leave the job this fall. Indeed, the pressures of Stockman's job will increase in the coming months as a protracted fight over the budget for the fiscal year 1986, which begins on Oct. 1, intensifies in Congress. Stockman and other members of President Ronald Reagan's cabinet are trying to win congressional acceptance for \$56 billion in spending cuts—cuts which they have proposed as a means of reducing the current \$220-billion budget deficit to \$108 billion. But, acknowledged Stockman, "There are serious divisions within the country and within the Congress about where the cuts have to come."

Stockman, a quiet, unassuming man, is a firm defender of the controversial Reagan budget plan. It calls for spending cuts and freezes in health care cuts to see for the poor and elderly and reductions in such sensitive middle-class programs as subsidies for farmers and loans and grants to students. At the same time, the President intends to continue a four-year U.S. defense buildup, increasing military spending by 1.21 per cent in 1986 to \$171.6 billion. But the Reagan program will clearly have major changes as the convoluted U.S. legislative process takes its course. Under that process both the Senate and the House of Representatives will divide and pass their own budget packages separately. Then they try to reach agreement on a common final plan. Declared Allen Stahl, chief economist with the New York investment firm Shearson Lehman Bros. Inc., "Reagan's budget will not fly because the House Democrats will never go along with it."

Even the Republican-controlled Senate has refused to accept major elements in the Reagan package. On March 13 the Senate budget committee approved a proposal that it deemed would cost \$55 billion for the next year. One thing, the officials said, the Senate will not do is a blanket increase of only 3.4 per cent and reduced funding for some of the social programs that Reagan wants to cut, such as price supports, payments for farmers under which farmers are paid not to produce or grow. The White House was disappoint-

ed with the package, but spokesman Larry Spivack said that the administration hoped that the committee's plan could be changed "more to our liking" when it is debated by the full Senate in April.

Stockman said that a comprehensive budget plan, entailing most of the



Stockman: a cabinet "lightning rod"

spending cuts proposed by Reagan, can be agreed to "by spring or early summer." But there are critical factors which may spoil that timetable. For one thing, the officials said, Congress is not likely to make painful domestic spending cuts in 1986. The reason: a mood of prosperity prevails in America, a result of the economy's unexpectedly large 4.9-per-cent growth last year and forecasts for growth of four per cent this year. But

even himself has established the optimistic tone. As he told a group of administration appointees only this year: "From here on in, it's shake, rattle and roll." Said New York-based economist Alan Greenspan: "The improved outlook for the economy is making the politics of deficit reduction more difficult."

Reagan's critics charge that over the past four years federal cuts in welfare programs have considerably worsened the circumstances of the nation's poor. Last month, the Southern Regional Council, an Atlanta-based private research group, released a study showing that four million Americans have been dropped from the rolls of such programs as food stamps and Medicaid since 1980. Still, Stockman pointed out that for fiscal 1986, Reagan has proposed to run only \$4 billion from programs for the poor. Stockman and many economists say the deficit is a major threat to economic growth because government borrowing will soon clash with private sector credit needs, driving up interest rates and weakening the economy. But there is little apparent public concern about that prospect. Said John Malin, an economist with Washington-based American Enterprise Institute, a privately funded conservative think tank: "Congress has come to the realization that the public is not concerned about the deficit—Reagan is not concerned either. Economists have been telling at him for three years that the deficit will ruin the recovery. It has not."

Indeed, Reagan does not share Wall Street's contention that a rising deficit will drive up interest rates—although the President faces spending cuts as a way to reduce the role of government in society. Reagan's lack of concern has been reinforced by Treasury department economists who have argued that there is no relationship between deficits and interest rates. Explained Mansel Blackford, assistant secretary for economic policy at the Treasury department: "We live in a dynamic world. Interest rates have been held down because of an enormous influx of foreign capital into the United States, the growth in U.S. savings and the fact that the country is still in a period of the business cycle when private credit demands are not overwhelming."

Stockman disputes that argument. As the recovery goes on, he said, "there will be a collision between what the Treasury is trying to take and what the American credit needs." Because of his views, he often becomes "lightning rod" for opposition to the administration's proposed cutbacks. Said Stockman: "Somebody has to sit there every day, add up the bills, scratch his head and say 'no'."

With Jim Austin in Washington

## GOOD SCALP HYGIENE THAT BEGINS WITH RESDAN



## ENDS WITH HEALTHY LOOKING HAIR.

Resdan not only combats dandruff, it helps check the cause of many unhealthy scalp conditions.

Excessive falling hair, dry itchy scalp, clogged sebaceous ducts and oily seborrheic dermatitis can be symptoms of an unhealthy scalp.

When you work Resdan into your scalp, it revitalizes it and hygienically removes grease and dandruff. And Resdan helps unclog oily sebaceous ducts to let your scalp breathe and avoid these problems before they begin.

Look after your scalp with regular Resdan treatments—and it will look after your hair.







Customers outside a savings and loan bank: \$4 billion in deposits froze

## Staving off panic in Ohio

It was a scene reminiscent of the Great Depression. Night and day, long lines of customers—some sleeping, some standing—formed outside Ohio's 11 state-regulated savings and loan institutions (\$4.6 billion). Governed by the collapse of the state's largest S&L, Home State Savings Bank of Cincinnati, on March 8, the customers waited nervously, hoping to withdraw deposits from the institutions, which, like Home State, did not have insurance from the Federal Savings and Loan Insurance Corp. The panic spread quickly. Customers pulled about \$25 million from one institution in a single day. Finally, fearing a collapse of the system, Ohio Gov. Richard Cordelle ordered the S&Ls to shut their doors on March 25 and "we have confidence that they can command the confidence of depositors."

Restarting confidence proved to be a difficult undertaking. Initially, the governor announced that the "bank holiday" would last for only three days. But by last week about \$4 billion belonging to 600,000 Ohio residents remained frozen. The closed banks could not reopen on a permanent basis, and the governor, until they obtained federal deposit insurance coverage. Previously, they were protected by an insurance scheme funded by the institutions themselves which covered only \$136 million. But already the episode has shaken worldwide confidence in the free-wheeling U.S. banking system. As foreign investors become nervous about the system's health, the U.S. dollar dropped abruptly against other currencies before leveling off. And gold, always a haven against instability, jumped more than \$36 to \$329 an ounce at midweek before retreating to

\$324 an ounce less than 48 hours later.

The collapse of Home State, after deposits withdrew \$90 million from its vaults in two days, was caused by the demise of another firm, the Fort Lauderdale, Fla.-based LHM Government Securities Inc. (LHM), a brokerage company which specialized in trading government securities, had extensive dealings with Home State. Since the Reagan administration deregulated U.S. banking in 1982, the nation's 1,800 S&Ls have been turning to government securities brokers. The LHM to increase profits and expand deposits. Much of the business is in so-called repurchase agreements under which the savings bank buys government securities from the broker on the understanding that the broker will buy them back at a later date for a higher price. But LHM clearly lost control of the exercise. On Dec. 31, 1984, it owed \$1.62 billion in securities to 36 customers, but it had only \$1.26 billion to cover its debts. Home State's share of the loss is estimated at \$200 million.

By week's end, state and federal authorities contended that they had the crisis under control. In Washington, the Federal Reserve Board said it was willing to make special loans to Ohio banks to cover any demands for withdrawals when they reopen. But the episode made clear the fragility of the U.S. banking system. Indeed, there were 79 bank failures last year and 18 so far this year. Said Andrew Brimmer, a former governor of the Federal Reserve Board, the nation's central bank, "These episodes are indicative of problems in the system. The financial system is far more volatile than it was a decade ago."

—LIM AUSTON in Washington

## A TV giant's new master

A 30 television news anchorman, Peter Jennings reported the network's top story early last week with a very smile. "We have won the news," he told millions of viewers, "and it is us." For the first time in the four-decade history of U.S. television a major network—the American Broadcasting Company—has been taken over by an industry outsider. Last week Capital Cities Communications Inc., a New York-based media conglomerate barely one-quarter the size of the broadcasting giant, announced that it had bought out for \$4.5 billion, the largest acquisition outside of the oil industry in U.S. corporate history.

The friendly merger took place after months of speculation about possible "raids" on major networks. Among the rumored targets the Columbia Broadcasting System (CBS). But last week's hottest surprised and suddenly vanished Capital Cities into public prominence. Little known outside the media industry, Capital Cities is an aggressively acquisitive broadcasting, publishing and cable television empire which has built an impressive track record of steadily rising earnings for more than two decades. It owns seven television stations, 55 cable TV systems, nine daily newspapers and dozens of specialized magazines and shopping guides, including *Woman's* and *Fortune*. With a absolute headquarters staff of just over 50 people, Capital Cities last year earned \$228.3 million (U.S.) in profits on revenues of \$697.7 million. And, by contrast, earned \$150.3 million on its far larger gross of \$4.7 billion.

The takeover gained wide approval on Wall Street. Capital Cities, most analysts agreed, would infuse air with its highly profitable corporate style. That, in fact, may have been the key factor in its successful sale. As its chief executive, Leonard H. Goldenson, 76, to agree finally to a deal suggested months ago by Capital Cities' self-effacing chief executive officer, Thomas S. Murphy, 56. Murphy will succeed Goldenson at the helm of the new company—to be called Capital Cities/Air Inc. "That is my wish," Goldenson said following the merger announcement. "I feel that the company I have built from scratch is in good hands and that it will be carried on, and that is important to me."

In the wake of the merger, which still has to be approved by U.S. antitrust authorities, speculation increased that ABC's friendly buyout may upset the appetites of some less friendly readers for even bigger game CBS.

## Who's drinking light?



The man with the beer? Yes.  
The man with the wine? Right.

Or is it the woman with the highball? Absolutely.

True, they look different, but all three drinks are really equal in lightness because they're equal in alcohol content. Twelve oz. of regular beer contain the same amount of alcohol as 5 oz. of table wine or 1½ oz. of spirits.

So when you choose a drink, it's fine to be guided by your mood. Just don't be misguided by what you think is light.



THE DISTILLERS OF CANADA

For more information write: 60 Spinks St.,  
Suite 100, Ottawa, Ont. K1P 5T5



A friendly tip for alcohol content

# Capturing Fortress Quebec

By Peter C. Newman

The only precedent for the glow of antebellum that surrounded last week's Stornoway Summit in Quebec City was the trade and defense pact negotiated in 1812 between King and Franklin Delano Roosevelt during the tense spring of 1941.

By the time they got together at the President's home at Hyde Park, N.Y., the two men had developed something of a diplomatic love affair based on a shared New Deal ideology and mutual political respect. When the Canadian Prime Minister showed the U.S. President a draft of what he thought the wartime treaty should include, Roosevelt crossed out the word "treaty" and scribbled in pencil on the original Canadian document: "Done by MacKenzie and me on a grand Sunday in April."

Nearly half a century later, the issues have changed only in their complexities, and the two men who lead the governments which share most of the North American continent have struck up a friendship that rivals the romance of the Roosevelt-King era.

Brian Mulroney and Ronald Reagan are dissimilar in age and background but they share an enlightened tolerance for ambiguity and the belief that politics is the art of making the necessary possible. Both of these political hoodlums subscribe to the notion that their guiding policies should be to foster peace of civility and reconciliation within their own countries and with each other. They view their individual constitutions with equanimity, determined to achieve peace through strength, maximum growth with minimum inflation, and voter support through tax simplification and other measures designed to ease bureaucratic interference on people's lives.

Watching the two men prevaricate through the weekend's festivities, it was nearly impossible to stay neutral to the infectious good spirit that pervaded their every encounter. Here were two leaders who believe in their countries and in themselves. Their contorted sides barked in the residuals of all that were repressed. Except for Kirsty Bengtson, who seemed determined to blast every pillar in the Chateau Frontenac dining room with her cool onslaughts, the occasion was genuine enough.

Mulroney and Mills displayed a finely honed sense of choreography, moving through the corridors like a team of magicians. It was amazing to watch the

magicians vying to get a better look, their collective heads moving like a wheat field ruffled by Quebec City's strong March winds. The tattered sun at the Stornoway night gala clutched their gowns as if they had designed and invented them to enhance the hard-won glory of the spectacle.

The weekend conference actually ran on double tracks. Alongside the high tones of international diplomacy could be heard the echoes of some highly ef-



Reagan, Mulroney: a cordial meeting

fence parish pump penning. The presidents of every one of the 10 ridings held by the Tories east of Quebec City, for example, were given four tickets to distribute to their key poll captives. While Reagan was basking his dress of a Fortress America, Mulroney was strengthening his own version of Fortress Quebec. The latest crowd poll shows that an astonishing two-thirds of the province's voters now consider them-

selves to be federal Tories.

Credit for the success of the summit's arrangements belongs mainly to Fred Doucet, the senior adviser to the Prime Minister who is emerging as one of the top strategists in the preconference room-to-room-building that has characterized the major meeting of Ottawa's calendar. But it was the impact of Mulroney's personal diplomacy that won the concessions which turned the summit into a soft-focus of a give-and-take bargaining session.

Although the billboard issue of controlling acid rain on this continent cannot be resolved overnight, it would be difficult to pick a public figure who has wider political access than former Ontario premier Bill Davis, whose job it will be to push provincial and federal governments toward action. The trade, Mulroney appears to have achieved the impossible: a pledge by the U.S. administration to exempt Canada from some of the more stringent protectionist measures to come down from 8 legislations over the next 18 months.

Any bilateral treaty between partners of such unequal clout depends on the goodwill of both parties. Many Canadians still fear that any such partnership is bound to end up like General Germaine Grenier's description of the perfect, male-oriented marriage: "If you do exactly what I want, dear, we'll have a really good time." The problem is that the goodwill between Mulroney and Reagan may not be enough, it is all too often a Congress dominated by narrow-minded Republicans that could be the shots.

Defense was the most complex and least settled issue. Canada may well be asked to assume an as yet untested ground function in Reagan's Strategic Defense Initiative, allowing only a year ago jetmanned the last atomic warheads stationed on our soil, Canadians still refuse to recognize any moral inconsistency in their great claim to being nuclear straws while they live snugly under the protection of American warheads. The Quebec City accord will grant us, for the first time, a measure of sovereignty over what happens north of 60. No document signed with the Americans—or the Soviet Union—can advise that Canada will not become a nuclear battleground. Only if we could somehow opt out of the strategic hawk of geography we occupy would we be safe.

Meanwhile, a close study of what really happened in Quebec City leaves little doubt that we got more than we gave away.

## Some people find buying a new car much easier than others

After you've found the GM car or truck of your dreams, don't turn the financing into a hassle. All you really have to do is tell your GM Dealer to arrange GMAC Financing—at rates that make good sense.

It's so easy with GMAC. You save time because your GM Dealer can handle all the arrangements right in the showroom. And that convenience is just one of the reasons why

more people finance more cars and trucks with GMAC than anyone else in the business.

So why not finance your new GM car or truck the easy way. Just ask your GM Dealer for GMAC Financing. More car buyers do.

**GMAC**  
THE FINANCING PEOPLE  
FROM GENERAL MOTORS



CHEVROLET • PONTIAC • OLDSMOBILE • BUICK • CADILLAC • GMC TRUCKS



Roseville, in the absence of new legislation, importing pornography for personal use remains a constitutional right

LAW

## Opening the borders to pornography

Tom Luncester was looking for a hard-core sex magazine—the kind that few retailers in his home town of Vancouver would risk selling. As a result, the 35-year-old architectural model builder drove south to the small U.S. border town of Blaine, Wash., to make the purchase. But Luncester did not expect to read his 46-page copy of *Plying High—Gourmet Edition*, which featured graphic photos of sexual intercourse. Instead, he declared the magazine at Canada Customs there, so Luncester had anticipated, an officer cautioned the magazine, warning him that it contravened tariff regulations that prohibit imports of "immoral or indecent character." But on March 15, after losing his first appeal against the confiscation, Luncester achieved his original goal of three years ago: a court decision that supported his constitutional right to import pornography.

Three judges of Ottawa's Federal Court of Appeal strongly agreed with Luncester's lawyer, John Iles of Vancouver, that the regulations had no power in the face of the Charter of Rights and Freedoms' guarantee of "freedom of thought, belief, opinion and expression, including freedom of the press and other media of expression." Taking a strictly legalistic view, the judges brushed aside regulations that contain language since 1987 to enforce the official version of morality and decency in Canada. With

that, they noted the spectre of a flood of hard-core pornography and hate mail entering Canada.

More immediately, their decision led to widespread confusion among members of Parliament. Initially, the deputy minister of customs and excise, Robert Giroux, pledged to maintain the ban, while his colleagues considered the appropriate reaction. Then, Revenue Minister Fernit Bédard told the Commons that all pornography material would be admitted to Canada. But later Bédard added that customs officials would still enforce police of any large shipments of pornography that they suspect might be sold in violation of the Criminal Code. Later still, Revenue Canada decided that the ruling also forced it to allow imports of hate literature.

For their part, police were divided on the effects of the decision. In Toronto, Sgt. John Roseville, a member of an anti-pornography task force sponsored jointly by municipal and provincial police, predicted a "great influx" of pornography destined for individual use but not for commercial distribution, which is still illegal under the Criminal Code. But in Vancouver, Insp. John Lucy of the vice squad declared, "We are not talking about trainloads of pornography." Both Lucy and Roseville said they have seen little evidence of child pornography in their cities, although Giroux told Roseville that customs officers "have been

seizing a lot of child pornography" in the 5,000 shipments that they searched at the border last year.

The issue has already led to a re-examination of existing laws. Giroux, for one, said that pornography is "a very difficult area" of the law, and Bédard added that the ruling "adds some vigor to the whole question of how we want to deal with pornography and hate literature." He predicted that the ruling could lead to a sweeping legal reform, with precise new laws that would impose "reasonable limits" on pornography, in line with the language of the Charter. In the short term, the justice department is considering several options, including an appeal of the ruling to the Supreme Court, an amendment to the tariff regulations or temporary legislation to halt the flow of pornography. But, because of the latest ruling, many experts question the constitutionality of any such legislative adjustments.

Vancouver lawyer Iles hailed the overturning of the regulations—which have previously been used to ban such recognized masterpieces as James Joyce's *Ulysses* and D.H. Lawrence's *Lady Chatterley's Lover*—as a victory for the principle of free speech. The issue facing legislators now is if that principle is worth the price of opening the nation's borders to the most extreme products of the human imagination.

—CY JAMISON

ENERGY

## OPEC hires a watchdog



Saudi Arabian refinery: an attempt to make members obey price and product quotas

By Peter Lewis

They sometimes use secret methods of detection, but the people known in the oil industry as "the cartel cops" are neither sleuths nor spies. They are auditors from the Dutch firm Klynveld Kraayenhoff & Co (KNC), and since Jan. 20, 30 of the international firm's 2,000 employees have been assigned to the 15 member states of the Organization of Petroleum Exporting Countries (OPEC). The cartel, which supplies one-third of the world's oil needs, is trying to preserve its unity by assigning KNC to find out which countries are cheating on the organization's pricing system and production quotas.

OPEC has no plans to poliothe names of offending countries, but officials from the member states contend that the embarrassment of exposure will at least reduce cheating. Saudi OPEC spokesman James Auda in Vienna: "When a producer realizes that his accounts are now open to independent audit, he might be less tempted to pull a fast one."

Still, expert observers, including John Thompson, a partner and senior oil analyst with PricewaterhouseCoopers and

Co., London-based stockbrokers, say that KNC—which may be receiving as much as \$1 million a year to monitor the cartel—faces a severe disadvantage. Added Thompson: "KNC has a virtually impossible task, because it will have to depend wholly on the goodwill of member countries." Indeed, KNC is the second firm to take on the difficult task of

monitoring OPEC. Last December the cartel fired the Cambridge, Mass.-based consulting firm of Arthur D. Little after the company had worked for the oil producers for more than a year.

Saudi Arabian OPEC Minister Sheikh Ahmed Zaki Yamani alleged that the consultants had not provided accurate information—although the cartel's market monitoring committee had refused Little access to key OPEC statistics. And other industry experts say that there are many hid-

den ways for determined cheaters to flout OPEC guidelines. Among the methods offering outsiders secret discounts: bartering oil with goods (with the oil subsequently sold at spot-market prices, which are lower than the OPEC market price of \$38 U.S.), or refining crude oil on the spot and selling it as a different product. Saudi OPEC spokesman, director and chief oil analyst of the Edinburgh-based brokerage firm Wood, Macdonald & Co. Ltd., "Without exception all OPEC countries stand guilty of having resorted to one device or another to sneak oil through the back door."

The deviants have multiplied rapidly in the past several years. Nigeria oil demand has cut OPEC revenues to \$150 billion last year from an estimated \$215 billion in 1980. Indeed, Nigeria, whose oil revenues have declined by half in the past four years, last October openly defied OPEC by cutting the price of a barrel of light crude by \$2. In an attempt to control output and defuse its price to the world, OPEC cut its total production quota to 16 million barrels a day last fall—a 1.6-million-barrel drop. Then, in January it slashed the official rate for Saudi Arabian light crude—the OPEC benchmark price—to \$38 U.S. a barrel. But the cartel's uneasy solidarity weakened when three members—Algeria, Libya and Iran—refused to accept the new price and began shipments from violating the proposed system.

Still, KNC's examination of the records and Yamani's declaration that overproduction will lead to further price drops may convince most members to observe OPEC rules. At least one analyst with the London stockbroker firm Scott, Giff and Layton: "Assuming the full facts are uncovered, OPEC will at least know which members to lean on."

As KNC began work last month, cold weather in many regions hindered oiler compliance checks, creating a temporary demand for an additional four million barrels of oil a day. Wood,

Nonoat-reducing cheating



Macdonald's Ferguson said that as company reports come in, he will be faced with OPEC supplying the real—surprising the cartel's daily quota in the process. Said a KNC spokesman: "Many producers are aware that we get matters on pipelines and set off in gas boats and tanker glows for the most remote wells. It is much more a job of poring through documents to see that everything adds up." If the figures do add up satisfactorily, OPEC may again face the threat of disintegration.

# Scorning safety in the northern skies

Waiting for takeoff in the terms of Edmonton Municipal Airport last Oct. 18, Wapiti Aviation's Flight 400 to High Prairie, Alta., began as a typical northern commuter flight. One hour later the 10-seat Piper Cherokee crashed into a large hillside 40 km south of its destination, killing six of the passengers. The crash clearly demonstrated the hazards of flying in the treacherous northern wilderness. And the fact that Alberta NDP leader

Tommy Ocker last October, was more concerned with why the pilot was flying into a storm than it is an ill-equipped plane. Indeed, testimony revealed that the carrier, Grande Prairie-based Wapiti Aviation Ltd., was not allowed to land at High Prairie at night when weather conditions made Instrument Flight Rules necessary. But Vogel testified not only that he attempted an on-landing the night of Oct. 18, but that Wapiti management had pressured him

charged that similar practices were common among small regional carriers. As well, the clarity of existing regulations was called into question by witnesses who cited different rules to justify opposing practices. Indeed, one pilot, Sandy Harris, said that his own experience—not Transport Canada regulations—was the best guide to safe flying in the North.

Because the Grande Prairie inquiry was public, it offered unprecedented insights into air safety. Previously, Transport Canada has investigated each accident privately, but its procedures came into disrepute when its officials had evidence destroyed following an inquiry into the crash of a Pacific Western Airlines jet at Cranbrook, B.C., in early 1978. A heavily censored version of the inquiry report was made public two years later. Subsequently, the federal government established a commission to investigate air safety. That commission recommended the establishment of the task, and the new board's investigation of the fate of Flight 400 revealed that many of the commission's chief concerns have yet to be



Commuter flight in northern Ontario: public inquiries and raw flight on air safety in the North

Orson Notley was among those killed attracted national attention to the accident. Still, for pilots the crash of Flight 400 had a more enduring legacy. Earlier this month it became the subject of only the second public inquiry ever held into an air crash in Canada. And the often dramatic testimony increased the concerns of those who fly regularly in remote regions with small airports. But the inquiry is also held out the prospect of imminent reforms in air safety, beginning with a new Aeronautics Act expected soon from Transport Minister Maniwong.

The reasons for Flight 400's crash were apparent even before the inquiry began. Pilot Erik Vogel, 38, maintained his position before descending through thick clouds and hit a hillside which he had thought was already behind him. But the Canadian Aviation Safety Board's (CASA) investigation, which closely followed an in-depth inquiry into the crash of a Northwest Airlines

on several previous occasions to make similar dangerous flights.

Several other former and current Wapiti pilots confirmed Vogel's charge that Wapiti management pressured them to complete flights regardless of treacherous weather and restrictions against ill-landings at so-called "steep-sloped" airports, including High Prairie's Wapiti general manager Dale Wells denied the allegations, although he acknowledged testimony from Transport Canada officials which revealed that Wapiti frequently sent inadequately maintained aircraft into service, intending to complete necessary repairs later. But on one occasion inspectors found that the delayed maintenance had not been completed, and they grounded six planes in Wapiti's eight-plane fleet.

The complaints were not all directed at Wapiti. One Transport Canada inspector testified that the carrier's operations were "better than the average" in some respects, and other witnesses

admitted. Specifically, the Dobbs Report, named after commission chairman Charles Dobbs, noted the poor safety record of northern aviation and charged that "there are many ways, for economic advantage or because of recklessness, to inhibit or retard the safe operation of aircraft." As well, the report charged that complex regulations and cumbersome Transport Canada procedures impeded air safety to a low priority.

The case will not make its recommendations for a few months. In the meantime, many commercial aviators welcome the public airing of the safety issues. Earlier public inquiries in the United States have led to dramatic improvements in air safety there. And in the current chaos of regulatory reform in Canada, the failed bush pilots of the North may soon be able to rely on something more tangible than verbal promises of improved safety to earth.

—R. SHIRAZI in Calgary



## Get this amazing new Ruler/Clock/Calculator FREE with Maclean's at Half-price!

NOW you can have all the answers at your fingertips! Subscribe to Maclean's, Canada's Weekly News-magazine, for informative reading at Half-price and get this sleek Ruler/Clock/Calculator — your timely space-age helper — absolutely FREE!



that affects you — written from a uniquely Canadian viewpoint, as only Maclean's can!

And right now you can subscribe to Maclean's at half-price... and get one of our most versatile and attractive bonus gifts we've ever offered!

Our amazing new custom-made Ruler/Clock/Calculator is a "must" for home, school, or office. Use the powerful, removable calculator to balance budgets, calculate costs, figure out personal finances. Keep track of time with the built-in "pop-up" quartz LCD calendar clock.

Use the 12-inch (30-cm.) ruler when you need a quick measurement. And switch from metric to Imperial, and vice versa, with the handy metric conversion table.

A perfect gift for all occasions! Built to last, with one-year warranty and state-of-the-art chemistry, this



precision three-in-one instrument is indispensable for homeowners, students, business people, professionals of all kinds!

Best of all, it's yours free with your paid half-price subscription to Maclean's. So don't delay. Simply fill in and mail the coupon today!

Circle Numbers 1-5, 10-15, 20-25, 30-35, 40-45, 50-55, 60-65, 70-75, 80-85, 90-95, 100-105

### FREE RULER/CLOCK/CALCULATOR with Maclean's at half-price!

☐ 12 issues only \$11.99 (1st year) and send Ruler/Clock/Calculator when I pay ☐ PREPAY! 12 issues \$19.99 (1st year) and send Ruler/Clock/Calculator when I pay

Mr. \_\_\_\_\_ First Name \_\_\_\_\_ Last Name \_\_\_\_\_  
No. \_\_\_\_\_  
St. \_\_\_\_\_  
City \_\_\_\_\_  
Prov. \_\_\_\_\_  
Zip \_\_\_\_\_

Exp. \_\_\_\_\_  
I agree to receive Maclean's magazine for the period indicated above. I understand that my subscription will be billed at the rate of \$1.99 per issue.

YES! I want my Ruler/Clock/Calculator FREE with my subscription to Maclean's at half-price!

SEND NO MONEY NOW! We'll bill you later. No cash advance. Cdn. only. © 1985 Maclean's Inc.

**\$3.357\***

It has the strength and power to efficiently operate a rotary tiller, snow thrower, and a 48-inch mower deck.



Hydrostatic drive with Accu-Set speed control is a new option that gives you the ultimate in operating ease. A toe-and-heel pedal controls both speed and direction. You shuttle easily from forward to reverse, without taking your hands off the steering wheel. Accu-Set maintains a constant forward speed for mowing



Two mower sizes. For mowing operations, a 42- or 48-inch, three blade mower is available at additional cost.

only real choice is whether to order the Ford Yard Tractor with standard or hydrostatic transmission. Call toll-free, 1-800-528-6060, ext. 1865, for the name of your nearest dealer.



Outside the police station in Guadalajara, Mexico, women and children, talking and exchanging bottles of homemade corn liquor after they have delivered food to imprisoned husbands, brothers and friends. The men were among 131 prisoners arrested after a 1986 military raid on a corn growers' laborers house with 325 kids in a rural town of La Paz. That suboptimal farming region produces three-fourths of the 27,000 tons of corn sold annually in Mexico each year and the crop, which is used to make cocaine, is flourishing despite a U.S.-backed war against it. In 1986, the U.S. State Dept. said, the U.S. has received almost \$5 million in U.S. drug enforcement assistance, but last month a U.S. state department report said that the country had failed to uproot a single coca plant—or even arrest a single grower. In 1986, Carlos Escobar, a 22-year-old school-leaver whose brother was among those arrested in a raid on one of the labs.

The groups narcotics traffickers net kids last year and now the police are arresting, say, teens but use the poor peasants.



Bolivian coca harvest: daily average

However, that Latin America's cocaine dealers have also taken the offensive recently. DEA officials blame drug traffickers for a car bomb that exploded outside the U.S. Embassy in Bogota last November, killing one woman and prompting the departure of 73 U.S. officials from the country. And that same month traffickers ambushed and killed 19 members of a U.S.-supported program to destroy coca plants in the Peruvian jungle. As well, Colombian traffickers are believed to have offered \$250,000 to anyone killing high-ranking state officials.

The DPs plan to continue working with such South American antidrug units as the 300-member police force that sweeps through central Bolivia, such little effort last month. And the United States has promised to continue a five-year, \$60-million aid program promoting substitute crops for coca. But the chairmen of the Bolivian government committee on drug trafficking, Celso Carlos Fernandez, said that the financial incentives would have to be greatly increased before farmers would switch from coca cultivation. As a result, unless there is a drop in demand, the lucrative return at all levels of the cocaine trade will ensure that cocaine production will continue to be plentiful.

*Reported by Carlos Amador*

—CHUCK NEAL in *Los Angeles Times*

In the Third World, hope is a rarity, and help never still. You can make the difference by helping a child through Foster Parents Plan. For \$23 a month, you can help a child today, a family for tomorrow, and a community for years to come. Please—complete the coupon below—for today, tomorrow and a better world.



**CALL TOLL-FREE ANYTIME 1-(800)-268-7174**  
Information will be sent immediately to British Columbia, 1-800-268-7174.

**PLAN** FOSTER PARENTS PLAN OF CANADA  
(An International Human Development Agency)

[illegible]



Philippe: a child of such stillness who gets carried away by his imagination

## FILMS

# Games of deadly intent

MARIO

Directed by Jean YVES ESCOFFIER

**M**ario, winner of three Goya Awards this year, is a visually haunting parable about childhood set on the lonely, windswept beaches of Quebec's Magdalen Islands. The film traces the strange symbiotic love between two brothers who relate entirely through shared fantasies. The younger of the two is Mario (Laurier Normand, 10), an autistic 10-year-old. The only person who can penetrate Mario's isolation and silence has always in 10-year-old Simon (Frédéric Bédard). He helps Mario to build fortresses out of bedrocks and stage mock wars for which the local children are sometimes recruited. Mario believes that those games are life itself, and the deadly seriousness of his play turns Mario into a psychological drama of coexistence and power.

The film's facelessness is doubly impressive because its main character never speaks a word. Escoffier portrays a child of such, penetrating stillness. His brown eyes gaze out at the world with a habitual absence of emotion. Like a potential suicide victim, his silence is unnerving because it seems to judge and decide the common, busy world that most humans believe in. Director Escoffier (J.A. Martin, photographer) has further emphasized Mario's oddness by having him carry around a large, beaded staff that keeps him from suggesting the regressive, oddly primitive na-

ture of the boy. He often seems more a shy forest creature than a human being, that he is also a creature who can bite. When Simon's attention is diverted by a visiting girl (Nathalie Chiffolle), Mario reacts with violence. From that point on, the film develops enormous tension as the viewer realizes that Mario is a serial—and capable of almost anything.

Bodily counterbalance Mario's dangerous potency by giving Simon an attitude of easy strength and kindness. His protective love for his brother seems a little special all things—until Mario severely injures another boy in a fight. That event forces Mario's parents to send him to a special home for autistic children on the mainland. The pathos of Mario's entry into the government institution is heartrending, and it forms a natural ending for the film. But Escoffier insists on adding another 15 minutes from his story in order to illustrate the extremely unbelievable suggestion that Simon has been trapped and destroyed by the fantasy he shared with Mario.

Despite that fawed ending, Mario is one of the strongest offerings from Quebec in recent years. Pierre Naguin's superb photography masterfully captures the Magdalen Islands, where the sweeping beaches complement Mario's loneliness. And François Desjardins's score, with its Audubon overtones, enhances his lush visions. Mario is a sensitive and powerful reminder that childhood fantasies are both redemptive and betray.

—JOHN HORTON

## Prehistoric preciousness

BABY... SECRET OF THE  
LOST LEGEND  
Directed by R.W.J. Morris

**B**aby... Secret of the Lost Legend, the sickly-sweet story of a handsome and will-trying to protect a baby brontosaurus from exploitation, is about a piece of manipulation. In the end phase, it asks viewers to believe that dinosaurs still exist. Then, it suggests that dinosaurs have an intelligence beyond their natural capacities: a dinosaur's brain could be as small as a walnut. And because audiences have demonstrated their never-ending love for special effects creatures, Mama, Papa and Baby brontosaurs are mechanical and evolutionary wonders that display human emotions—Baby even sheds tears. Clearly, the makers of Baby... Secret of the Lost Legend assume that filmgoers are dim-witted as well.

Although it sets back scientific thought several million years, the movie would have been forgivable had it been graced with charm. Instead, it is cynically motivated. The silly and implausible story focuses on a zoologist, Susan (Sean Somers), and her sportswriter husband, George (William Katt), who are in Africa for an archeological dig. Susan discovers an odd-looking piece of calcium and declares, "I have the funniest feeling about this bone."

Eventually, she realizes that it came from a recently killed dinosaur and heads off into the dark heart of the jungle to find the prehistoric creature. Meanwhile, her superior at the site, the villainous Dr. Eric Krentz (Patrick MacQuinn), is determined to pervert the archeological quest himself. When he kills Baby's father and captures her mother, the childless Susan and George adopt the infant dinosaur to protect her. In creating Baby, screenwriters Clifford and Elton Green have wrought a pupa fantasy something akin to that an upwardly mobile couple can call their own without having to bother with diapers. And the film-makers try almost everything to make the Baby as adorable as possible. Baby's therapist legist into her surrogate parents' tent, tries to interrupt their lovemaking and generally behaves like an overrated toddler.

The viewer needs an oversized threat to swallow all this. Adams with dinosaurs would have helped—Young and Katt are as bland as a couple in a detergent commercial. Baby... Secret of the Lost Legend takes film-making, as well as science, back to a primitive state.

—LAWRENCE O'TOOLE

## Adams Antique. NOW A CLASSIC 12 YEARS OLD.



PERFECTION COMES OF AGE.

## On the edge of a disaster

A slingshot in 1978 the U.S. Agency for International Development reported an alarming annual loss of a billion tons of Ethiopian topsoil a year. The loss, caused by erosion, was "an environmental nightmare unfolding before our eyes," according to the report. But it was not until last year,

when TV images first publicized the horror of mass starvation in Ethiopia, that the nightmare provoked international concern. Even today the reasons underlying the current famine remain largely unexamined, and the rush to provide relief to the victims. Still, experts are warning that the current

famine may be only one symptom of a much larger environmental catastrophe in Africa. For one, Lester R. Brown, president of the Washington-based Worldwatch Institute, wrote in the second annual State of the World Report "Reversing the ecological deterioration: new ways to save much of Africa may require international collaboration greater than any since the Allied powers mobilized in World War II."

The cause of the current Ethiopian famine is not only due to a temporary absence of rainfall, according to Brown, but also to the expansion of deserts, which population pressure has greatly accelerated throughout Africa over the past two decades. Only four per cent of Ethiopia is forested today, compared to almost 40 per cent at the turn of the century. The neighboring Sudanese capital of Khartoum, which stood on drought-resistant savanna with scattered trees two generations ago, is now at the edge of a circling desert. In West Africa, Mauritania has recently lost one-third of its grazing land to the Sahara desert, which is advancing as much as 20 km a year. And the Ivory Coast has lost two-thirds of the forest cover this century.

The geographical changes must dramatically affect agricultural production, which has been steadily declining. In 1978 Africa was nearly self-sufficient in grain, but last year one in four Africans was fed solely with imported grain, and the current famine could raise that ratio to one in three this year. The decline in food production has resulted in a corresponding decline in per capita incomes, which has reversed the development gains in many already beleaguered African countries. Brown told *Maclean's*: "We have never faced anything like this before. As I see it, the international community faces an entirely new situation, one that is so serious that I don't think it has even begun to grasp it."

Many climatologists agree with Brown that the African drought is almost irreversible. They argue that population pressure has permanently altered the African climate. Because deforestation reduces the soil's capacity to hold water, less moisture evaporates into the air to return as rainfall. The ensuing drought causes all vegetation to disappear, and ultimately the topsoil blows away. Said University of Toronto meteorologist Kenneth Hare, "Storms may bring an end to the current drought, but personally I doubt that it will. We may have permanently damaged the water-holding capacity of the core of the African continent." If that's so, the current famine will pass into history as the introductory chapter in an unprecedented continental disaster.

—BILL GLADSTONE

### JOEY SAYS . . . "PLAYSAFE!"



Joey was only four when the toboggan he was riding slid into the path of an oncoming train.

The toboggan was moving so fast.  
He couldn't stop it or jump off in time.  
His left arm was severed below the elbow.

Joey, a member of The War Amps' Child Amputees Program, doesn't think his artificial arm works as well as his real arm did.

**PLAYSAFE®: Don't Let It Happen To You** is an award-winning film featuring Joey and changes from across Canada. In a kids-to-kids approach to safety awareness, the young amputees describe in detail how their accidents happened.

In order to avoid danger, children must first learn to recognize it. Joey and his friends warn all children to **PLAYSAFE!**

**PLAYSAFE II** is available on film or videocassette, free of charge. Contact The War Amputations of Canada for further information.



Write to call us! Dial toll free!  
Area Codes: (716) 813, 735-1-800-368-6021  
All other codes: 1-400-368-6217  
Main Toronto number: (416) 488-6886  
Canada's Address:  
The War Amputations of Canada  
Box 749, Toronto, 140 Bloor Street West,  
Toronto, Ontario M5G 1A5

The War Amputations of Canada  
Canada law requires charitable organizations operating on a not-for-profit basis, under the control and direction entirely of their own members, should you wish further information, please do not hesitate to contact us.

Charitable Institution Registration Number: 2285531 00 10

# How to enjoy a Tax Hike

## Enter the Texas Instruments "Tour the Alps" Sweepstakes

Every time you figure out your income tax, the government seems to figure out a new way to raise taxes—and your tax bill.

To cope with these tax problems, or the IOL budget problems at your home or business, Texas Instruments has a practical answer. An array of printer/display calculators that would make Revenue Canada. Featuring hard copy printouts.

TI-5500 portable AC/DC calculator has 14-digit display, four key memory, TI's own



you can keep at arm's length, or closer. At surprisingly affordable prices.

And this year, the Alps could beckon, instead of the taxman, when you enter the Texas Instruments "Tour the Alps" Sweepstakes.

You could win a spectacular two week trip for 2 to Switzerland.

Or one of 333 Texas Instruments products, including Transporthable Personal Computers, Business Analyst II calculator, and



solar calculators.

Contest ends April 15, 1985. To win, entrants must answer a skill-testing question. Approximate retail value of trip, \$6,500.00, of 3 Computers, \$3,475.00 each, of 30 Business Calculators, \$59.95 each, of 300 solar calculators, \$2.95 each. Full details at participating dealers.

### TEXAS INSTRUMENTS

Creating useful products and services for you





**OFFSHORE BANKING NEWS**  
**LEARN UP TO 10% INTEREST**  
**ON YOUR FOREIGN BANK ACCOUNTS**  
 How much is your bank paying you for a year deposit right now? Make your money work as hard as you can!

**"WHAT IS OFFSHORE BANKING?" YOU MIGHT ASK**  
 "OFFSHORE BANKING" means using a bank or another financial institution outside of the country in which you live and work for your savings and investments. If you live in the U.S. a bank account in Canada is classified "offshore banking."

**EASY TO START**  
 Offshore banking & financial matters are often considered as murky ranging from checking and savings accounts to cash loans, letters of credit, letters of service, portfolio services, gold options, factoring, leasing, variable insurance plans.

**MINIMUM DEPOSITS OF \$1000**  
 Capital investment is 100% insured.

**WHY?**  
 Before you can begin using an offshore account, you need to know where, when, what, and how!

"OFFSHORE BANKING NEWS" is the first & only monthly newsletter devoted to researching offshore opportunities. Over 120 correspondents worldwide will keep you up-to-date with current & usable, reliable information regarding banking services, investments, trust services, annuities, and a host of other financial and business services available.

**OFFSHORE BANKING NEWS**  
 Edition: Sole International Edition  
 P.O. Box 7036  
 Scarborough, Ontario, Canada M1G 0B5

**Your correspondent:**  
 P.O. Box 1119, Suite A, P.O.  
 International Tax Services  
 Telephone: (416) 751-0528

Please enter my subscription to **OFFSHORE BANKING NEWS** for the period of time:  
 Check below I am enclosing payment in full

☐ One Year (12 issues) U.S. \$200  
☐ Six Months U.S. \$100  
☐ Three Months (Trial) U.S. \$33

☐ Money Order  
☐ Check (order of Official Sole International Ltd.)

Name \_\_\_\_\_  
 Company \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_  
 Province \_\_\_\_\_

## RADIO

# A patron saint of prose



Weaver, respected friend and mentor of Richler, Atwood, Findlay and Munro

This week Robert Weaver, the highly respected Canadian producer of CBC Radio's *Anthology*, will close the door of his dilapidated Toronto office for the last time. At 64, Weaver is taking early retirement as a result of the recent \$55-million reduction in the network's budget. To most writers across the country, Weaver's departure from the weekly literary program signals the end of an enlightened era. Since creating *Anthology* 30 years ago and co-founding the literary magazine *The Toronto Star* in 1964, the slim, soft-spoken Weaver has aided the careers of dozens of writers, including Marjorie Richler, Timothy Findlay and Al Purdy. Indeed, short-story writer Alice Munro credits Weaver's supportive letters with sustaining her while she raised two small children. Recalled Munro, "I could barely see to the end of the next story, but Bob could see a future for my career."

To Weaver, enthusiasm for literature came as naturally as breathing. Raised in a cultured, book-filled household in Niagara Falls, Ont., he attended the University of Toronto, helping to organize its Modern Letters Club and writing reviews for *The Toronto Star*. After joining the CBC in 1964 as an editor with *Anthology's* producer, Canadian Short Stories, Weaver developed the highly personalized approach to authors that became his hallmark. He made a habit of listening for hours to writers' stories and problems. For some, he secured critical financial support. Weaver's guarantee of several radio

contracts enabled James Nichol, author of the 1984 hit play *And When I Wake*, to leave his job as an insurance agent in 1979 and devote himself to full-time writing. Once, when Nichol and his wife, Judy, met Weaver at a supermarket, Nichol introduced the editor as "the man who has been buying our groceries."

Weaver's affection for the writers with whom he has grown old is so strong that his main retirement project is to write a critical memoir about them. He believes that while there are many fine young writers, few are accomplished enough to push aside their elders. "Good writing comes in cycles," he said. "I feel that the dominant group of writers today is still the older generation—such people as Al Purdy, Robertson Davies, Alice Munro, Margaret Laurence and Margaret Atwood."

Weaver's commitment to showcasing Canadian writers remains firm. He is writing his fourth anthology of recent Canadian short stories for Oxford University Press. And this fall he will retain his supervisory role with the CBC's annual literary competitions, which he created some years ago. Weaver says he fears that *Anthology*, which will be expanding into a two-hour program covering all of the arts in the fall, will forsake his 30-year tradition of nurturing writers. But once if the program continues to play that role, it will be difficult to fill the gap left by one of the country's most dedicated literary patrons. —JOAN ROSSIGNOL

# THE NEW CANON T70

## Taking photography a touch further. Simply.

Canon, the leader in 35 mm photographic technology, has done it again.

We've brought the future to the present. With the new T70. The SLR camera that puts the power of a computer at the touch of a finger. Which puts it 17m years ahead of any conventional SLR you've ever seen.

The first thing you notice about the T70 is that there are no levers and knobs to set. In their place, the touch-button Electronic Control System.

A touch of a finger gives an instant Liquid Crystal Display information readout of every function.

### Three Programmed Modes

For focus-and-shoot convenience plus creativity. Standard for precise exposure of average subjects under various lighting conditions. Like the high speed program, for action shots and enhanced results with a telephoto lens and Wide, for

zooms and wide angle shots



### Dust Metering System

Not just a Canon Weighed Average metering, suitable for most shots, but also selective flash without giving up automatic exposure control.

### Power Winder

When it comes to loading and winding, the Power Winder does it all Automatically. Then, allows

you to shoot continuously at 1/2 sec. And rewinding is done at a touch of a button.

The optional Canon Speedlite 2077 provides fully automatic flash without giving up automatic exposure control.

The Canon T70, it simply takes photography a touch further.

And since it takes a great shooter to have a great shot, Wayne Graczy knows the T70 "makes the great shots simpler."



I want to take photographs a touch further. Please send me more information on the

**CANON**  
**T70**

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ PHONE \_\_\_\_\_

TELEPHONE \_\_\_\_\_

SEND TO: Canon Canada Inc., 3501 7th Street East, Scarborough, Ont. M1V 4Y1



If you're satisfied  
with your investments...  
**MAYBE YOU'RE  
NOT DEMANDING  
ENOUGH!**



**I**nvestor's Digest is THE publication, read by investors who demand more:

- Insights and recommendations from Canada's top investment specialists
  - Earnings forecasts
  - Research reports
  - Interviews with industry executives
  - and more
- Specific information YOU need

to make better—more profitable—investment decisions

Order your subscription today:

1 year (24 issues)	\$139.00
3 months (6 issues)	\$29.50

(5 month rate for first-time subscribers only). Please allow 4-6 weeks for delivery of your first regular issue

**Investor's Digest**  
Published by The Financial Post

Maclean-Hunter Building, 777 Bay Street, Toronto, Canada M5W 1A7  
Or call toll free 1-800-387-1308  
In Toronto call 396-5147

## Swinging to a familiar beat

When Windsor's *CJOL*, once the third most popular radio station on the continent, hit rock bottom last year in the competitive Detroit-Windsor market, its managers and disc jockeys were desperate for help. Still, many listeners were surprised last December when the station began playing Kenny Rogers, Glenn Miller and Patsy Cline and the softer tones of Elvis Presley. That format, a radical switch from the station's traditional rock fare, was packaged by *Connection* programmer Al Ham. And since adopting Ham's syndicated playlist, *Muscle of Your Life*—now in its eighth year—CJOL's Detroit audience has more than doubled. For 180 radio stations across the United States, *Muscle of Your Life* has proven equally successful, and now eight other Canadian stations have turned to Ham's outflow sounds in hopes of driving new listeners. Said Toronto media consultant Keith Campbell: "It proves our suspicion that people don't shut up and die after 35."

In the past decade the ruthless maneuvering for young listeners in urban markets has taken its toll on many Canadian stations. Indeed, most broadcasters who have turned to Ham for help have had little to lose. Said Toronto radio consultant John Parikh: "A move like that is rarely made by a station with a strong position in the marketplace." *CJOL*, once a fresh-runner in the Toronto rock market, fell to 17th place overall in 1983 and chose to abandon its listeners for an older audience. The first Canadian station to adopt Ham's programming as a full-time basis, *CJOL* has bounced back in total audience hours it is now tied for third place, with seven per cent of the Toronto market. And Windsor's *CJOL*, which began airing *Muscle of Your Life* last September, has since reported a near-doubling of its audience.

What all the stations have banked on is an insatiable appetite for nostalgia music. "Now that it is back," said Ham, "we realize how many people missed it." Financially, there are substantial benefits in catering to an audience forgotten on the airwaves but foremost in the minds of advertisers. Said Maurice Perry, vice-president of programming at *Connection*: "Those who miss that music have a lot more money than most people, and that is what the advertisers are interested in." By drawing listeners with the hits of yesteryear, *Muscle of Your Life* is proving that there is ample gold still to be mined without resorting to rock 'n' roll.

—PAUL McBRIDE

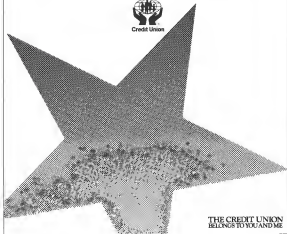
# Box Office Hit.

## 4 MILLION CANADIANS HAVE DISCOVERED THE PERSONAL FINANCIAL SERVICES OF CREDIT UNIONS

Ontario credit unions are part of a \$20 billion network of over 1,600 credit unions across Canada with branches in every major town and city. This is an innovative, dynamic and responsive system, including provincial and national associations designed to pool resources effectively to benefit you as a member and owner. If you are already a member, you know about the range of personal financial services that are a hit with so many Canadians. If you aren't a member, give us a call.

Member

Ontario Share and Deposit Insurance Corporation • Credit Union Central of Ontario • Canadian Co-operative Credit Society



THE CREDIT UNION  
BELONGS TO YOU AND ME

# A race to save the past

By Alyse Frampton

Twenty-five years ago Egyptian President Gamal Abdel Nasser pulled a lever and detonated 10 tons of dynamite, signalling the start of construction of the Aswan High Dam, 766 km south of Cairo. The Nile's barrier across the Nile was to be a symbol of the new Egypt, a project designed to control flooding, irrigate reclaimed land and provide hydroelectric power for factories and villages. And over the next 19 years, as 17,000 Egyptians and 570 Soviet advisers shaped Egypt's future, archaeologists from around the world raced to save the past—ancient temples and monuments located in the reservoir area. The Nubian Salvage Campaigns moved priceless relics to higher ground, but the rescue operation, sponsored by the United Nations, has proved to be merely a reprieve. The reason: the dam has produced climatic changes and stimulated agricultural and industrial development which threaten Egypt's heritage. Declared Jehu Holladay, a University of

Toronto archaeologist working in Egypt: "It is only a matter of time before the Egyptians decide that the land is more important to the living than the dead." The dam also created Lake Nasser—a huge reservoir containing enough water to irrigate seven million acres of farmland.

**Water-soluble salts drawn to the surface of monuments have eroded inscriptions on a temple dedicated to sun gods**

land that drainage is inadequate in the irrigated lands. As well, the water table, which once fluctuated with the annual flooding of the river, has stabilized at a higher level. As a result, water-soluble salts drawn to the surface of the monuments have eroded the inscriptions on a 3,000-year-old temple dedicated to two sun gods at Abu Simbel, 256 km south of the dam. At the same time, the

dam has prevented the annual deposit of silt in the Nile Delta, forcing farmers there to buy fertilizer to enrich the soil no longer covered by the river's deposits. But many peasants prefer instead to excavate soil from numerous huge mounds found throughout the delta, some of which revealed remains of 3,000-year-old villages. Indeed, new farming, housing developments and industries are encroaching on archaeological sites so rapidly in the Delta that Holladay is concerned nothing will remain in 25 years. He added, "Development has to proceed, but if it is done too quickly precious material will be lost."

For the past eight years Holladay has been directing one of four Canadian archaeological teams working in Egypt—a 30-member mission surveying and excavating a 3,000-year-old farming village at Tell el-Maskhuta, 90 km northwest of Cairo. In 1790 BC the settlement was a border village, and Holladay says that his work on the ancient hillside will disclose details of military movements and trade between ancient Egypt, the Mediterranean, South Arabia and Asia. But the team will need up to three more years before Holladay is ready to publish any conclusive findings. By then, many more of the Delta mounds will have been destroyed.

As early as 1979 the director of the Egyptian government department over-

seeing archaeologists asked foreigners working in the country to survey sites in the path of development. That appeal indicated that the Egyptians needed outside expertise, but even then foreign architects have criticized the government for allowing them little encouragement to save its national treasures. For one thing, Egypt has since 1982 restricted the size of foreign excavation teams to 10 members. Said University of Toronto archaeologist David Bedford: "It is a real stop backward." Bedford is directing an excavation project at Thebes, 800 km south of Cairo, peering together 45,000 fragments of temple murals from the reign of Akhenaten, the remarkable Egyptian king who in the 14th century BC began to promote monotheism. Bedford is working in an area where the danger to ancient monuments is clearly apparent: even earlier decide from tourism's growth has damaged paintings in Theban tombs. And other foreign archaeologists say they believe that Egyptian concentration on classical antiquities places too little emphasis on prehistoric sites.

For his part, Ahmed Kadiy, chairman of the Egyptian Antiquities Organization, the government agency supervising 30,000 sites, says that there is "a fundamental difference" between active-born archaeologists concentrating on classical sites and foreign specialists



Bedford, Holladay: no reprieve for relics

working on prehistoric sites. Still, the dam derives some of its revenue from fees charged at popular tourist sites and museums. And over since treasures from the tomb of Tutankhamen toured America in 1977 and sparked a tourist boom in Egypt, the field has concentrated on renovating museums and restoring classical Egyptian monuments. The organization also supervises 40 Egyptian archaeological teams and 66 foreign missions working in the country, as well, although Kadiy insists that outsiders are welcome, he is reluctant to authorize more activity than he can supervise.

Kadiy has to balance safeguarding the treasures of a country that he describes as an underground museum against modern Egyptian needs for new farms, houses and industries. To ease that pressure, foreign archaeologists including Bedford have called for another international rescue operation modelled after the Nubian Salvage Campaigns—with the goal of surveying and excavating sites in the Delta. But Holladay, for one, believes the Egyptians are not convinced that the threat to their past is serious—a conviction that could result in the destruction of many sites threatened by development. At the same time, Egyptian military forces might block foreign help. Declared Holladay: "Egyptians working in the field want more of the poodle for themselves." □



## A delicious meal and delightful lifestyle await you in Québec.

Bonjour! When was the last time you started your day with a delicious and exotic bowl of omelette au lard, sitting on a terrace in the glaglas morning sunshine? Or finished your day with a French feast fit for a king?

And when was the last time you left that special place de vieux de Montreal, alive with the sound of ragtime, jazz and swing, international film, jazz and theatre festivals and art exhibitions that you, as well as the French, are so fond of?

When was the last time you enjoyed a holiday that was truly authentic? Too long ago?

Then come say *bonjour* to Québec. We're not very far. And everything from sophisticated city life to the pastoral joys of country inns and resorts awaits you. For full details, call this toll free number, or send in the handy coupon.

1-800-381-6490  
Ask for Operator 112

Québec ::

**Come say  
bonjour!**  
Québec

Complete and return to:  
Québec 1989  
1-800-381-6490

NAME \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
CITY \_\_\_\_\_  
PROVINCE \_\_\_\_\_  
POSTAL CODE \_\_\_\_\_

The cut, the feel,  
the lasting quality.  
J.A. Henckels,  
world's best cutlery.



Henckels Cutlery Company, Inc. 1988

J.A. HENCKELS  
ZWILLINGWERK  
Cutlery • Kitchenware • Flatware



©1988 J.A. Henckels, ZWILLINGWERK, Inc. All rights reserved.

## BOOKS

# Crisis in a lonely soul

BLACK ROBE  
By Brian Moore  
(McClelland and Stewart,  
288 pages, \$29.95)

The Jesuit missionaries to New France in the 17th century had a dual to harness souls that equalled the greed of their secular brethren, the fur traders. That quest gave the young



Moore: a glimpse into of violence, greed and war

settlement of Quebec a religious as well as an economic mission. In his 12th novel *Black Robe*, Moore has made the hardships and uncertainties of the Jesuits the basis of a parable of violence, war and travel during the first years of European colonization in North America. But typically for Moore, *Black Robe* also explores the spiritual crisis of a deeply troubled man. As in his previous books *Catholics and Cold Windows*, Moore gives a panoramic backdrop to a tale about the difficulty, and the consequences, of Christian faith.

*Black Robe* centres on Father Laforgue, an ascetic priest with aspirations to sainthood—probably through a glorious martyrdom. He thrives for what he calls "a great adventure, a chance to advance God's glory here in a distant land." After reports reach Quebec that a mission support his danger of collapse from disease and Indian al-

tasks, Laforgue makes the dangerous canoe trip to assist his priests. The only companions are a group of Algonquin Indians, superficially friendly to New France, and a young French Indian named Daniel. But unknown to the priest, Daniel's motives for going on the journey are carnal, not spiritual; he is in love with an Algonquin girl. Laforgue's experiences along the way batter his faith. Instead of relishing the proud solitude of a priest, he comes to curse his terrible loneliness.

The novel portrays a clash between two cultures and systems of belief. Moore shows how the Indian belief in heaven is in conflict with the Indian belief in a "spirit of night," where the spirits of the dead can just as well. By converting the Indians the Jesuits forced them to deny the power and significance of *Chicoutout* (the spirit of the dead) and the white man's religion—and *Chicoutout*—rendered the Indians and Algonquians vulnerable to their ancient enemies, the Iroquois. Behind the disturbing plot of *Black Robe*, set in the 1630s, is Moore's awareness that in the 1640s the Iroquois killed most of the Huron tribe as well as several Jesuits. Unfortunately, history justifies the novel's graphic violence.

But despite Moore's cool intelligence and superb power of description, *Black Robe* ranks among his lesser achievements. Most importantly, he has failed to find a style suitable for his story; the book's language tends to be lurid and devoid of subtlety. It is as though he had been unable to infuse an excellent idea into the necessary words. The Indians in *Black Robe* are flat-mouthed and cheerfully obscene. Moore presumably meant to show their indifference to European constraints. Yet the effect is to make them seem stupid and straight. Even the main character *Robe* to convince Laforgue often seems a potted refutation from a 20th-century novel dressed up in historical garb. Thoroughly researched and planned, *Black Robe* displays far too little of Moore's second imagination. —MARK ARLEY

## IF YOU GO TO YOUR PRO FOR GOLF ADVICE, WHO DO YOU GO TO FOR FINANCIAL ADVICE?



Just as a golf pro can improve the quality of your game, your Investors Personal Financial Planner can show you how to improve the quality of your retirement.

Through a strategy of managing for retirement income, you can develop a personal game plan to protect yourself from the effects of taxes, inflation and reduced earning power.

Together with your Investors Personal Financial Planner, you review your current financial position, set income targets and prepare strategy. Then you're ready to choose the products you need to hit your

## YOUR INVESTORS PERSONAL FINANCIAL PLANNER



targets with accuracy. GICs, Annuities, RRIFs. Plus a range of investment funds for income and tax benefits.

In addition, Investors offers you a competitive edge: experience. After all, we've been playing this course for over forty years.

To contact an Investors Personal Financial Planner, just look in the phone book under "Investors". Or write our Head Office: Investors Syndicate Limited, 280 Broadway Wharfedale, Markham R3C 3B5.

*Investors*  
PROFIT FROM OUR EXPERIENCE

## The insidious threat of death

WHITE NOISE

By Don DeLillo  
(Penguin, \$26, pages, 228 pp.)

Romans drinking wine out of lead vessels didn't know they were poisoning themselves, but North Americans are not so blissfully ignorant. Death is a major part of the cultural background noise, spectrum of nuclear anxieties, the spacious toxicity of a mass-media environment. The age has spread an apocalyptic literature, shoving us guilt and despair. In *White Noise* Don DeLillo brings death into the foreground, playing it in the bosom of one small-town American family, and makes a comedy out of it. He mounts a satirical counterattack on fear that, by the novel's end, is almost liberating.

On the job, DeLillo's narrator has death under control. Chairman of Pfizer Studies (a discipline he invented), Jack Gladney strides his college campus in the arms of the century's most famous death dealer. "Death was strictly a professional matter here," he says. "I was comfortable with it." At home, it is a different story. Gladney marshals oblivion carefully in the seriousness of family life—eating, shopping, staring at other people's tragedies on TV, watching

his children, burying himself in the bosom of his fifth wife, Babette. But fear breaks out in night sweats. He thinks he can handle it as long as nothing happens—if his life goes on numbly, he may never die.

For the first third of the novel DeLillo obliges Gladney by keeping the book placid, a filter of apocalypticism ("not to know is a weapon of survival"), family scenes (in which the children act like parents) and means speeches by Gladney's colleagues in pop culture (New York critics who teach the symbolism of movie car crashes and remember where they were when actor James Dean died). But because the subject is death, something has to happen. DeLillo chooses a fittingly awful, atmospheric scene of disaster—an "artifice toxic event" which causes the evacuation of the town. Exposed to something he cannot feel, Gladney is told by scientists that his death clock is now really ticking.

After the event the town returns to normal—a loaded word in DeLillo's terms. The Gladneys wander from school to supermarket to television set. The only reminders of the disaster are beautiful chemical mutants and men in nylon suits checking undisclosed levels on strange meters. The new, understandable time limit on Gladney's life brings his fears to a fever pitch. Like the three-headed hero of a detective novel he reaches

for both a plot (revenge against Babette's lover) and a gun. DeLillo walks a delicate line to retain his readers' sympathy for Gladney and still deal with an unpalatable truth: a man who uses a gun before he conspires not his enemy but death itself.

That is enough of a hint at an ending that turns dark but retains its comic edge. Gladney tears down and redeems but he finds no lasting relief except in watching his children—a generation born amid the cultural white noise that confuses him—while unerringly identifying society's killing power and are able to live and love just the same.

—ANNE COLLINS



DeLillo: a comic edge

## The dark depths of human weakness

THE TENTH MAN

By Graham Greene  
(Lester & Deput, 1980, Penguin, \$17, pages, 218 pp.)

When Graham Greene heard that his last and forgotten novel, *The Tenth Man*, had been discovered in the MGM vault in Hollywood, he said that his first impulse was to prevent its release to the public. He had written the manuscript in 1944 with a potential film in mind. Greene considered it to be "half shorthand" and found it necessary to write a complete story before attempting a screenplay. Still, he vaguely remembered *The Tenth Man* as only a "sketchy idea," he added, and he was shocked when the MGM discovery turned out to be a polished 80,000-word novel. "I was planning to use all kinds of blacked-out to stop it being published," Greene said last year. "Then, to my delight, I found it was really rather good in fact, rather better than *The Third Man*." Most readers will likely agree with that statement. On a map of the literary continent that shows even old Greenwood, *The Tenth Man* is located not in the remote reaches of exotica but nested in the heartland of his best writing.

Certainly, Louis Chavel is as troubled and complex as most of Greene's protagonists. Imprisoned in a German prison in France during the Second World War, the Parisian lawyer is "a lonely fellow who made awkward attempts from time to time to prove himself human." But his most human characteristic is cowardice. When members of the French Resistance kill two Germans in a nearby town, the complicity army orders that one of every 10 local prisoners be shot as retribution. The 36 prisoners draw lots to choose volunteers for the firing squad, and Chavel becomes one of the three. Instead of accepting his fatal assignment, Chavel bargains his way out of death. The rebuff of any of the prisoners, he offers his entire fortune to anyone who will take his place. A sickly young clerk, Michel, accepts the offer, preferring to die a rich man than to continue to live as a poor one. Before his execution, Michel with his newfound estate to his mother and sister.

With no doubts about entering the kingdom of heaven, Chavel merely wants to buy some time on Earth. But after the liberation he has to deal not only with poverty but also with shame. He cannot resume his life as a lawyer because he would have to explain how he lost his fortune. Assuming the name Jean-Louis Chavel, he returns to the country house where he was born and

permeates the new occupants—Michelle's mother and sister, Thérèse—that he was a fellow prisoner in Michel'sSYmpathy with his disabilities, they treat him as a handyperson.

Chavel is able to maintain his imperturbance, even in the face of Thérèse's continual condemnation of her brother's cowardly bargain. "Did he really think I'd rather have this than him?" she says. The room vengeance on Chavel if he ever enters the house, not knowing that she is addressing the real culprit. Then, Thérèse

until its eventual conclusion. The change of tone from the serious to the farcical is disorienting and it constitutes the book's only major flaw.

*The Tenth Man* moves briefly from one short scene to the next with the economy of a well-paced movie. But Greene's moral insight transforms the work from an episodic thriller into an illuminating anatomy of human weakness. The characters are all searching for a code of behavior but find themselves in circumstances where normal rules do not apply. In the

German prison, a French major claims to have a watch as his badge of authority; because he is the last prisoner to have the correct time, he considers himself to be the keeper of standards. When the watch stops, he insists it is a rough estimate of the actual time and deludes himself that "his time could not be wrong because he had invented it." Like the major, the other characters cannot find any sort of absolute truth to direct their actions and most invent their own standards. As Greene describes Chavel, "He was a conventional man, nothing affected that. His life provided models for behavior in any likely circumstances they stood around him like infertile dunes. There had been no model for a man condemned to death."



Greene: disturbing, enduring moral insights

rise gets a chance for revenge one night, the bell rings and a stranger claiming to be Chavel asks to be let in the night in his face, and the real Chavel is oddly relieved. "Now, he thought, at last I am really Chavel. Somehow else can bear all the hate."

The new impostor, an actor named Caruso who had collaborated with the Germans during their occupation, has heard of the Chavel case from another prisoner and plans to use the circumstances to tap into Thérèse's fortune. Chavel, a man trying to exterminate the memory of the coward he once was, desperately attempts to counter the deceptions of Caruso, a man trying to restore a coward into a full-blown agent of evil. As they match wits, the novel becomes an engaging, comic burlesque

chance by assuming a new identity. What he cannot overcome is guilt. The difference between shame and guilt, Greene once said, is that shame has to do with other people's view of a person, while "guilt" has to do with one's own view, and what one apprehends to be God's." When Chavel finally dares to redeem himself, Greene demonstrates that fear and guilt may accomplish the same ends as goodness. That confusion may seem overly grim, a reflection of the horrifying excesses of the Second World War. But 41 years after the writing of *The Tenth Man* the essential nature of human fallibility has not changed, and Greene's observations about the price of survival in the 20th century have proved to be disturbingly enduring.

—JAN FRANKLIN



It takes energy to produce energy.  
Energy to find and harness  
Canada's vast store of conventional oil.  
Energy to create better oil sands

technology... increase heavy oil production... improve refinery efficiency.  
At Suncor we're making major

commitments in all these areas. Because we know it takes that kind of energy for Canada to achieve energy self-sufficiency.

**Suncor INC.**  
In search of the answers



The Parrots: Rousseau's lush tropical world, built by imagination, is often a veiled reference to nature

## ART

# An exotic garden of enchantment

By Gillian MacKay

In the early, sophisticated days of modernism, the primitive art of children, natives and folk artists has been prized for its vigor and intuitive wisdom. French painter Henri Rousseau (1857-1893) was a rare example of an artist who bridged the worlds of innocence and experience; he was at the same time a self-taught naïf and a modern master. Rousseau's celebrated dream landscapes, teeming with lush tropical vegetation and exotic creatures, owe little to prevailing trends and a great deal to his singular poetic vision. A Jewish exhibition of 88 Rousseau paintings, on display at the Museum of Modern Art in New York until June 4, offers a rare opportunity to glimpse the mind of this enigmatic painter.

Rousseau provided, above all, a profound spirit of delight. He took a lively interest in the world around him, as evidenced by his numerous small landscapes of the Paris vicinity. The artist's most memorable episodes of discovery took place entirely in his imagination. Too poor to travel, Rousseau satisfied a romantic thirst for beauty and adventure through the remarkable series of jungle paintings produced in the latter years of his life. In the rainy season, privately owned *The Parrots* (1907),

he created a tropical paradise in which colorful parrots and small black figures stand peacefully at the edge of a river filled with lily pads, dreamlike pastel flowers. Even in a less tranquil work, *The Monkey Lion* (1905), in which the lion roars and devours a belated antelope, the theme of violence is subsumed by a mood of mystic reverence for nature.

Rousseau found the inspiration to create works suffused with joy and serenity in the midst of a life surrounded by poverty and domestic tragedy. Born into a modest provincial family, he served a few years in the army before finding permanent employment as a toll collector in Paris in 1871. His relatively obscure existence and his penchant for mystery later gave rise to many legends about him. He did not travel to Central America, as the poet Guillaume Apollinaire claimed, and he only knew the jungle through books and visits to Paris's botanical gardens. He married twice, and of his seven children only one lived past the age of 18. And he was so poor that he occasionally played the violin to earn money for a meal.

Whether when or why Rousseau began to paint is unclear. One of his most accomplished early works, *A Coward Lion* (1865), is a haunting scene of a couple in white costumes standing on

the edge of a wintry black forest in the moonlight. It shows Rousseau already working in his characteristic style of flat, decorative patterning, crisp contours and smooth finish, capable of evoking a mood of intense stillness and mystery.

From 1886 until his death in 1893, Rousseau hung his paintings at the annual *Salon des Indépendants*, the refuge of artists who had been rejected by the official salons. In his conscious preference for an art based on imagination, he was truly modern. The inventiveness of Rousseau's astonishing *The Sleeping Gypsy*, a sharply etched collage-like tableau of a lion hovering over a sleeping woman in a moonlit desert, influenced Pablo Picasso in his cubist period. The intimate, poetic mood of *The Sleeping Gypsy* and *The Dream*, in which a naked woman reclines on a red couch in the midst of the jungle, anticipated the psychological preoccupations of the surrealists.

One of the most striking aspects of Rousseau's art is the extent to which it is unlike any before or after him. As the writer André Malraux observed, he occupied France "the wheel of art history" into a world of his own. In his imaginary realm he re-created life with the spirit of a child in constant wonder at the miracle of existence. □

## THE ARTS

# Mixed reviews for Masse

By Mark Charnicki

Federal Minister of Communications Marcel Masse endured a storm of criticism last week. While more than 800 artists protested in Parliament Hill on June 10, some of the fiercest art funding, Masse withstood an opposition attack on the subject, forced

the Conference of the Arts, would take part in the cultural economic summit meetings which started on March 22. But that criticism did not placate the artists. In fact, some of the fiercest criticism with Masse left some of them even angrier. Said Toronto author Gene Callender, "My criticism is weak for we're going to give the artists nothing. This is a hard statement and wrong."



Masse (left), Premier, getting artists rolling again, but infuriating arts protesters

with the knowledge that his recent revisions to the Telefilm Canada's broadcast fund for independent film production have found favor in the film community. Ever since the cut crisis its spending on the fund last December, Masse's department has been struggling to raise the fund's rules and get the current ruling again. Film producers argued that the new terms and additional money would smother that goal. Said Michael MacMillan of Atlantic Film Ltd. and vice-president of the Canadian Film and Television Association: "It's a sensible middle ground—there is a substantial cultural thrust, but it doesn't ignore the industrial strategy."

Telefilm's broadcast fund was only one of many topics raised by the protesting artists, who included author Pierre Berton, actor Gordon Pinsent, and John Hirsch, artistic director at the Stratford Festival. Breaking off into small groups, they met with various cabinet ministers and opposition leaders. Masse reminded the protesters that Curtis Barlow, president of the major arts lobby, the Cana-

dian Film Institute, had said that Masse had responded to their concerns and that he was preparing a schedule for the 1983-84 season and allow for long-range planning for 1985-86. The broadcast fund, established in 1983, has boosted the Canadian film industry by providing an investment pool as well as guarantees of 75 percent, meaning that film has a domestic market. The new proposals reduce most of Telefilm's money, which comes from a super-tax on tax on television. Starting on April 1, the Crown corporation will be able to raise the investment in all Canadian film and video for television from 40 per cent to 35 per cent. As well, for one year Telefilm will match the losses film broadcasters pay producers to air their films.

These proposals affect broadcasters—including the CBC, which has already committed \$12.9 million in projects in 1985-86—to replace a portion of that money with the newly available Telefilm funds and ensure it is additional production. Overall, the cuts' impact

most in Telefilm projects in 1985-86 will be \$5 million, a figure that the communications ministry estimates will now generate \$75 million worth of independent production. In addition to solving last December's crisis, the revisions address ongoing problems with the fund. A clause allowing provincial educational networks to qualify as broadcasters will encourage regional production, which after have great difficulty raising capital. The new policy also allows Telefilm to commit as much as 10 per cent of the fund's budget this year of about \$55 million for script and development.

All the participants in the new Telefilm proposals note that the department of communications controlled them at length, a process that Masse says he will continue. But some film-makers add that further revisions are necessary. "We're a hard-act industry," said Richard Nettles, executive producer of Nordica Productions Ltd. of Toronto. "As a producer, I'm glad that something has been done—but I'm appalled that it was necessary." Many of the disgruntled artists who left Ottawa last week say that satisfactory long-term art policies are yet to come. Said Barlow: "The protest was only a preliminary step in our ongoing battle with this government." Still, after seven turbulent months which have given Masse's position one of the highest profiles in cabinet, his efforts have borne visible fruit. □

## MACLEAN'S BEST-SELLER LIST

### Fiction

- 1 *El Yacouba*, Corbin, Shellen (1)
- 2 *Family Album*, Steel (1)
- 3 *The Tiesman*, King and Smith (1)
- 4 *Flamingo*, Brown (1)
- 5 *Stream*, Modigliani, Pinsky (1)
- 6 *The Fourth Protocol*, Forsyth (1)
- 7 *The Killers*, Pines (1)
- 8 *Division of Labor*, Pines (1)
- 9 *So long and thanks for all the fish*, Adams (1)
- 10 *First Among Equals*, Archer (1)

### Nonfiction

- 1 *Isadora*, Adams with Mink (1)
- 2 *Remembering Moore*, Broadwater (1)
- 3 *Citizen Hughes*, O'Brien (1)
- 4 *What They Don't Teach You at Harvard Business School*, McCann (1)
- 5 *The Canadians*, Molloy (1)
- 6 *Leslie's Other*, Armstrong (1)
- 7 *The Teacher*, Leslie Canada's Shock Markets, Ross (1)
- 8 *The President Laid*, Berton (1)
- 9 *A Day in the Life of Canada*, edited by Cohen (1)
- 10 *Cry of the Kalahari*, O'Brien and O'Brien (1)

(1) denotes last week

## Pollsters in a house divided

By Dalton Camp

**L**et's see two teachers and a politician for Angus Reid, the man who said it this it is in the Liberal party these days.

Reid, who may need an introduction, is described by The Canadian Press as the "former Liberal pollster." As the man who had the distasteful job of sampling public opinion for the Grits during the last federal election campaign, Reid describes himself as "the nader officer on the Tories."

He was also a member of the Liberal party's visible minority—a Westerner from Winnipeg—joined into the party's inner councils by John Turner as being representative of his Western Canada outreach strategy. (Reid had been Turner's personal pollster in the leadership race.) The trouble with being the Liberal pollster, Reid found, was that the party already had one—a central Canadian from Toronto, Martin Goldfarb.

A house with two pollsters is a house divided, one of them had to go even if he's from Winnipeg. Besides, the western outreach strategy had produced dubious results. Another Winnipegger, Ray Ager, who became one of Turner's principal advisers, advised his leader that people were leaving Manitoba in droves, fleeing the ravages of socialism. Ager was wrong, as Turner discovered when he repeated the charge during the televised television debate among the party leaders during the campaign. In fact, people are actually returning to Manitoba in droves—including Ager.

Another Westerner, John Smith of Vancouver, was a key Turner aide in the leadership race, then the leader's head man in the west—and in the opposition leader's office after the debate. Smith has recently announced he is returning to Vancouver, offering the understandable explanation that he has better things to do, or at least he can do better.

Reid took to Angus Reid, Reid took to Ottawa while hanging up his state to become a former Liberal pollster. In a videotaped leadership speech Reid vented the opinion that the Liberal party was about to fall into the hands of the "power, the 'big boys'—the 'old boys'—the 'old boys'."

Reid said it was not yet clear what John Turner would do about this unprecedented reorientation.

"I would hope," Reid said, hopefully,

"that he would correct it, because a lot of Canadians and a lot of Liberals—are looking for something other than the repeat of—you know the scores, half of them are in the Senate."

Who then? Well, they would include Keith Dewy, Jerry Goldstein, Michael Kirby, Allan Rock, and—waiters all!—and Martin Goldfarb. Note that none of the above comes from parts farther west than Kitchikato.

We are left to puzzle the question as to why Westerners don't find a house in it.



Goldfarb: a political pathologist

Liberal party. The evidence suggests that western Liberals are somehow politically defective, which may explain how they have become an endangered species. (It may also explain how Campagna.) Even Reid, whose gender was much admired by the media, was not considered in Goldfarb's league as a political pathologist.

Conservatives, tuning in on Reid's lamentations, found a more precise understanding of the problems of John Turner and his party. No one

knew the wilderness as Tories do. The Great Inexplicable Bag for the Official Western Canada, for the Tories it was Quebec. Every later has one.

The Conservatives would also recognize the Instant Old Guard Syndrome: who as a division and the organization because a dream team of strategists, how one and it becomes the old guard. Even so, in wilderness politics old guards survive each winter's discontent because—Reid should note this—the longer the tooth the greater the experience. And as Turner must have discovered, the most devastating ingredient in political organization is succession.

One of the myths about political organization is that anyone can do it. The truth is that almost everyone can't. For every Big Bear Machine, there are 100 Edna's, for every Norman Adams, there are 1,000 guys named Nick. The other truth is that national politics demands a long apprenticeship, and you don't learn about political organization by working at the top anymore than you learn about gravity by falling out of a tree.

John Turner wasn't the first, was—certainly not the last—who tried to build a new organization from the top down. The only criteria for heavy-duty responsibility in his new organization was that you had none in the old one. The result was an embarrassing loss to the party and humiliation for the leader.

Now, Angus Reid says Liberals and Canadians—that would be everyone—are looking for some new faces "in the old." Reid's advice to Reid hanging on and hanging on, Reid believes, and he's willing to see what the Liberal leader seems to do about it. A dispassionate observer, such as myself, must advise him to do as little as possible.

The Liberals need to learn patience. They aren't going anywhere for a while yet and a new cast of apprentices won't get them there any sooner than the old clogs of bureaucrats. The profile is a hiding behind the scenes, "Therry" and "wait." Who better than the senators?

As for the Great Bag, a former Tory strategist, Gordon Churchill—an affable man who thought in military metaphors—proposed that the Tories adopt the strategy of "fighting on the spot," which meant ignoring Quebec. The idea worked as well as any other in that it also yielded nothing. Churchill, by the way, was a Westerner from Winnipeg.

Dalton Camp is a political commentator and a Conservative adviser.

## ONCE AGAIN, SAAB STANDS ALONE ON THE LEADING EDGE OF TURBO TECHNOLOGY

with the new Saab 16-Valve Intercooled Turbo.



its form is sleek and smoothly aerodynamic, turning the heads of the curious and the aficionado alike. You instantly recognize it as something very special. It is the Saab Turbo 16S.

A deep frontal air dam cuts head wind resistance to a minimum, creating a road-hugging ground effect. Sweeping body side skirts dramatically enhance high-speed stability while front and rear spoiler bars counteract the lateral forces exerted on all four VR Pirelli tires. It is as forgiving in its handling characteristics as it is uncompromising in its pure power.

### Saab Turbo-engineered to leave you breathless

Beneath the hood of all 1985 Saab Turbos lies a power plant that is an advanced study of why the racing fraternity has long heralded the virtues of turbocharging.

Although this turbo is like no other turbo on the road, it represents neither a quantum leap nor a techless departure from Saab's proven turbo technology.

It is the evolutionary Saab twin-overhead-cam, 16-valve intercooled engine with an advanced microprocessor Bosch LH fuel injection system, and Saab's exclusive Automatic Performance Control (APC).

### The only way to compare our turbos to other turbos is in your rearview mirror

Given the fact that these turbos possess the power of 180 high-spirited horses—about 20% more than our previous turbos—they are not the

least immune to leaving the ineptest competitor breathing dust, and rapidly diminishing in stature in your rearview mirror.

**Behind the wheel—you're way ahead in comfort and performance.** Cockpit controls and instruments from an environment you would expect from Saab. They're crisp and clear—easy to read, and easy to reach. No arcade graphics here to clutter your senses and distract you from your driving.

Rest assured that driver and passenger compartment luxury comes in full measure: whether you select a Saab Turbo 16, Turbo 16S, or a Saab 900 hatchback or sedan.

The most advanced turbos on the road have arrived. Shouldn't you arrive with one yourself? See your Saab dealer and take a test drive.

**SAAB**  
Swedish engineering. Depend on it.

COMMUNITY  
CENTRE  
FUND

GIVE  
BIG

BE A PART OF IT

*Canadian Club*

LIGHT. VERSATILE. ENJOY

